THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

August 9, 1941

Whom Will the Freezing Hurt Most?

By John Ahlers

Japan and the U.S.S.R.

AN EDITORIAL

No More U.S. Oil for Japan

Journey to China's Capital

BY WALTER BRIGGS

Japanese Intrigues in U.S. Revealed

An Editorial

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FOR FREEDOM

To the Editor:

We are all human beings. We all want to have freedom. To live in the world without freedom is just like the fish without water.

Nevertheless, nowadays we are under the bondage of those notorious ruling leaders. It has been almost continuously heard that many martyrs fought for freedom and sacrificed themselves. The people in most countries have already lost freedom of the press, of speech and of action. Even in China, during the epoch of fighting for salvation, we are more restricted than before by our government. It is a heavy strike against those who favors freedom and a relaxation for those covetous government officials who can squeeze money freely without the public inspection.

It is a great task of China fighting for freedom and liberation. We shall vanquish the Japanese warlords if we have a strong United Front. The Government should repudiate the previous wrong policy of one party dictatorship and should accept the idea and advices from all the parties and all the people. Especially she should esteem public opinion in the press and good advices in the individuals' speeches which serve as essential factors of advantage for our country. Freedom of the press is a good remedy of curing those corruptible officials.

Today the Allies fight bravely against Hitlerism which is in the leading position of binding the free people. China also stands in the position of fighting for freedom. Unfortunately it is learned that censorship of press prevails in our war capital. Many patriots are under arrest for delivering liberal speeches and for performing so-called "the ultra-drastic actions." It is not the proper way of fighting for freedom. The only way of winning the final victory, is to make our government as democratic as possible.

Finally, let us hope, therefore, that our government officials will firstly consider the benefit of their country and their fellow people instead of the benefit of their own parties or themselves. The only aim of us is the salvation of China. There is no paradise under the iron heels of the ruthless Japanese warlords.

HENRY CHEN.

Shanghai, July 21, 1941.

WINNING FRIENDS

To the Editor:

As a constant reader of **The Review**, I feel it my duty to inform you of things which may prove interesting though distasteful to the public: the compulsory distribution of the Japanese "Sin Sun Pao" in Wha Kee Avenue, Lane 1025, Bubbling Well Road, right in the heart of the so-called U. S. Marines garrison district. Although this is a common practice in the Badlands and also in the French Concession, we did not realize it until the 15th of this month (July) when a bicycle coolie with a bundle of the said stuff came to every house to deliver each with one copy of "Sin Sun Pao" and was also telling that $2.50 shall be collected for one month no matter you read it or not.

He stopped one housewife's arguments by saying that he has been charged to do the delivery only, and if any objection, it should be raised with his masters at the address clearly printed thereon in the card (herewith enclosed) which he delivered together with the paper.

The residents of this alleyway now feel that the "New Order" so much advocated by the Japanese is at their own doors. But they still wonder whether the propaganda work done at the expenses of others is the real interpretation of the Japanese "economic cooperation"? They also think that the time may be not very distant when the "Sin Sun Pao" people might make the Revenue Department do their collections. I mean the S.M.C. should not let the matter go as at present.

B. E. L.

Shanghai, July 26, 1941

SO-CALLED IMPRESSION

To the Editor:

Most of the universities and colleges as our university do in Shanghai have their so-called "impression" as one of the ingredients in giving mark or grade to students. The founder of the so-called "impression" as an element in giving mark, I think, should have the intention to protect those industrious but unlucky students from their undeserved failure.

The use is absolutely rational without any personal hatred or grace. But in modern educational system "impression" has been wrongly used. It changed from rationalism to emotionalism.

It has been employed as a kind of weapon to retaliate those students who like to trouble their professors with difficult questions and make their "loose face"; otherwise it has been used as a reward to the professors' favorites or those who are flatteries; both of these phenomena are undoubtedly unjust, the former is always unable, those able but stubborn students failed, the latter is inversely enable those lazy stupied but flattered students succeeded.

These obviously violate the principle of justice and righteousness and make the modern educational system more rotten than before. We are members of modern society, we should bear the responsibility of social reform, hence I humbly ask you to publish it for public

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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comment in order to have our social progress.

C. T. CHEN

Shanghai, July 24, 1941

N.-C.D.N. AND FASCISM

To the Editor:

Your strictures on the "remarkable appreciation of the fine qualities of fascism" essayed by "the Old Lady of the Bund" were timely and certainly reflect the disgust of most local Britons, excepting perhaps morons of the old school tie species.

Let us hope that at least the local Fascist Party will be grateful enough to send the editor a letter of thanks if not a contribution to the War Fund.

It is remarkable that, despite the shameful betrayals the Old Dame has suffered in the past she still cherishes a wistful longing for her old appeasement flames and it does not need a very discerning eye to discover that she regards the prospect of an alliance with the Bolsheviks with no great enthusiasm.

In connection with the above it is worth recalling that a similar tendency recently found expression in the British press, which fell over itself eulogizing Nazi Public Enemy No. 3, Herr Rudolf Hess, with such terms as: "The only honest Nazi"; "The consistent idealist of the Nazi Party"; "Tall, dark and handsome"; "Courteous in his bearing"; "Undoubted personal charm"; "Conversion comparable to those of Buddha and St. Francis"; and "the knight from the clouds."

No doubt The Old Lady of the Bund will be gratified to learn that she is still in good standing with "the best people."

"BOW BELLS"

Shanghai, Aug. 5, 1941

AMERICAN STOCK AND COMMODITY QUOTATIONS

August 6, 1941

STOCKS

Amer. Locomotive	14⅛
Amer. Waterworks	4⅞
Anaconda Copper	29
Bethlehem Steel	74⅝
Chrysler	58⅞
Elec. Bond & Sh.	2⅜
Gen. Motors	40
Goodyear T. & R.	19⅝
Gt. Nthrn. Rly., pfd.	27⅛
Lockheed Aircraft	29¼
Mont. Ward	34½
N. Y. Central	13¼
Texas Corp	44
U. S. Steel	59

COMMODITIES

New York Cotton, Oct.	16.68/68
New York Rubber, Sept.	22.35B/65A
New York Hides, Dec.	14.55B/57A
Chicago Wheat, Sept.	112⅝/112¼
Chicago Corn, Sept.	77¾/77½
New York Sugar, No. 4, Sept.	1.70B/71A

B—Bid. A—Asked.

FRICTION WITH REDS

To the Editor:

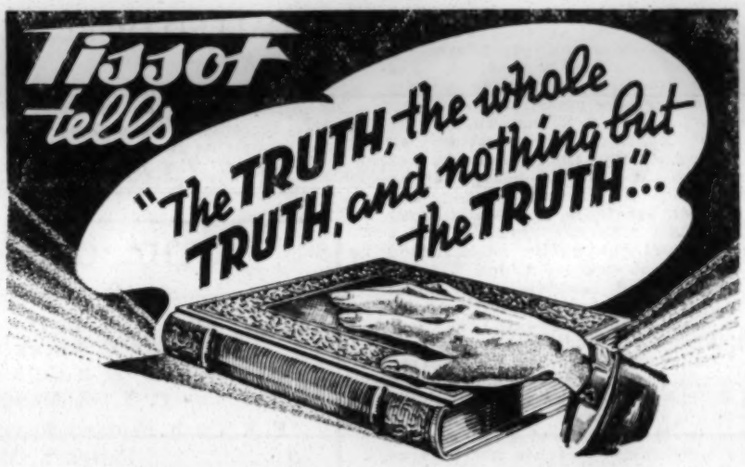
The recent occurrence of clashes between the Kuomintang and Communist forces in Shansi and Shantung is really disheartening news. With the bitter struggle for national freedom and independence still in full swing, this renewed friction between the two great parties not only will incur our enemy's contempt and ridicule but will have a severe effect on the unprecedentedly high morale which alone can ensure our final victory.

According to reports carried in the newspapers, and in the latest issue of your esteemed weekly, the Military Affairs Commission in Chungking twice telegraphed to General Chu Te, asking him to suppress the unwarranted attacks of his forces on the Central Government troops, and the official Government spokesman emphasized that no punitive campaign would be launched against such recalcitrant Red forces.

It is to be sincerely hoped that the leaders of these two parties will find means to adjust their differences and strive for the common goal of driving out our enemy and recovering our lost territories.

C. Y. KOO

Shanghai, July 30, 1941



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Demand Selling rate on N.Y.	U.S.$1.	=Sh.$19.28	=Sh.$19.51	=Sh.$19.27	=Sh.$20.00	=Sh.$20.00	=Sh.$20.00
Demand Buying rate on N.Y.	U.S.$1.	=Sh.$18.60	=Sh.$18.60	=Sh.$18.60	=Sh.$18.82	=Sh.$19.05	=Sh.$19.27
Demand Selling rate on London ...	£1-0-0	= no rate	= no rate	= no rate	= no rate	= no rate	= no rate
Demand Buying rate on London ...	£1-0-0	= no rate	= no rate	= no rate	= no rate	= no rate	= no rate

HONGKONG & SHANGHAI BANKING CORPORATION

Selling rate during August 1—7, 1941

Shanghai $100. equals Guilders	9⅜	9⅜	9⅜	9⅜	9⅛	9⅛
Shanghai $100. equals Rupees	17	17	17⅛	17⅛	17	16⅞
Shanghai $100. equals Pesos	10¼	10⅜	10⅜	10⅜	10¼	10
Shanghai $100. equals Hongkong $	20¼	20¼	20⅛	20⅛	20¼	19⅞

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密勒氏評論報

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JAPAN AND THE U.S.S.R.

THAILAND, following French Indo-China, is being drawn step by step into Japan's "East Asia Sphere of No Prosperity." Clearly defined stages in the process were marked on August 1 when the Tokyo Foreign Office announced that the Thai government had accorded official recognition to the puppet state of Manchukuo and granted a credit of 10,000,000 *bahts* (about Yen 16,000,000) to Japan to facilitate Japan-Thai commerce.

All current evidence goes to show that Japan will achieve a bloodless conquest of Thailand, just as she did in the case of French Indo-China—unless the British, backed by the United States, make a move from Burma and Malaya to frustrate Japanese plans of occupation. It seems plain that Japan expects no more Anglo-American opposition to such plans than the tightening of economic sanctions made possible by the recent freezing orders, and to that the gentlemen in Tokyo appear to have resigned themselves.

The European partners in the Axis, believing that Japan is more or less free to strike a blow at Soviet Russia, are busy cultivating Nippon hostility toward that country, and the Japanese press is responding with increasingly frequent references to an alleged Soviet tendency to be drawn into "Anglo-American encirclement" plans directed against Japan.

On July 30, the Italian Fascist newspaper *Corriere Padano*, published in Ferrara, predicted that Soviet Russia and Japan would be fighting in the near future. Japan is determined to liquidate the war in China at all costs, thus preparing herself "to face Soviet Russia on land and the United States at sea," the paper asserted. The Tokyo *Yomiuri*, on August 2, warned that Japan, as a signatory of the Tripartite Pact, could not remain indifferent to American assistance to Soviet Russia. The sudden visit to Moscow of Mr. Harry Hopkins, President Roosevelt's personal envoy, was proof of increasing U.S.-Soviet collaboration and America's attempt to bring the U.S.S.R. into the Anglo-American camp against Germany in Europe and Japan in the Far East, the paper asserted, adding that there was no doubt of the desire of the United States to obtain military bases on the Soviet peninsula of Kamchatka in view of the strengthening of American defenses in Alaska and the Aleutian Islands.

Paralleling these tendentious reports of American-Soviet collaboration, are Japanese-inspired dispatches regarding alleged plans for closer cooperation between China and the U.S.S.R. China, too, is charged with engaging in anti-Japanese encirclement moves. One such dispatch came out of Peking on August 1, being carried by the *Domei* agency. Quoting "reliable reports" from the northern puppet-controlled city, it declared that a Soviet-Chinese military conference was to take place shortly in Chita as a result of "an understanding reached between Chungking and Moscow." The Chinese delegation, it was stated, was to include the Communist generals, Mao Tse-tung and Liu Pei-cheng. And from the puppet capital of Nanking on the following day came a *Domei* report which stated that the Soviet ambassador to China, M. Alexander Panaouchkin, had made an "important proposal" to Chungking, "presumably regarding rapprochement between the Chiang government and Moscow."

Doing Business With Hitler

The Chicago Daily News

Stalin: "Who said you couldn't do business with Hitler?"

Much more ominous than these transparent attempts to work up a "case" against Soviet Russia are the persistent reports of heavy Japanese troop movements into Manchuria and Korea. Japan, only last April, entered into a pact of neutrality with Soviet Russia. The latter country, engaged now in a life and death struggle with the Germans, has absolutely no reason for courting a conflict with Japan. On the contrary, Moscow has every reason for doing all in its power to keep its Far Eastern frontiers peaceful.

In the circumstances, Japanese troop movements adjacent to the Soviet borders can in no sense be called defensive or precautionary. The strengthening of the Japanese armies in Manchuria and Korea is taking place with aggressive intent. No other interpretation of these Japanese moves is possible. And for Japanese firebrands to interpret possible Soviet counter-moves—such as efforts to reach understandings, perhaps even of a military character, with China and the United States—as sinister machinations directed against Japan is hypocritical in the extreme. Propaganda of this kind is of a piece with previous Japanese attempts to justify their grab of southern French Indo-China by references to purely imaginary British designs on that territory.

If, throwing all caution to the winds, Japan should decide on an encounter with Soviet Russia, she will be

taking on a really formidable foe for the first time in her history. Russia's Red Army is giving an excellent account of itself in the war against Hitler in the West. The Japanese themselves had a taste of its fighting qualities in the battles of Changkufeng and Nomonhan not so very long ago.

Japan, of course, may be gambling on the supposition that the Soviets will be obliged to withdraw a large part of their forces from the Far East for the struggle in the West, to make good the tremendous losses they have suffered there. Thus far, however, there has been no indication that the Soviets are running short of reserves in the West. Soviet forces in the Far East are estimated at 40 divisions, many of them completely mechanized, and the Soviet Far Eastern air fleet at 2,400 planes. Japan, it is clear, would have no easy walkover in an attack against Soviet Russia. Her generals might hope to repeat the easy victories of the Russo-Japanese war 36 years ago. But Japan is in no trim to meet a truly redoutable foe. Bled nearly white by four years of fruitless campaigning in China, and beset by the severest crisis in her history, she will go down to an ignominious defeat. The Rising Sun, emblem of Japanese empire and expansion, will set forever.

"Streams of Blood, Mountains Of Corpses"—Japan's Hope

Retaliatory measures against Japan for the occupation of French Indo-China have called forth in the Japanese press a veritable tidal wave of unrestrained chauvinism and strident boasting of what the Island Empire will do if her rivals persist in their efforts to "encircle" her and circumscribe her expansionist activities.

A truly remarkable piece appeared in the Tokyo *Yomiuri* on Aug. 4, written by Mr. Tomio Nakano, professor at Waseda University and additionally described as a noted authority on Japanese constitutionalism.

"The Japanese," he declared, "are not asking for war. But if need be, they will not grudge streams of blood and mountains of corpses for self-defense and the protection of their racial honor. The Japanese will fight to the last man to smash the selfish interests drawn about them by the Anglo-American ring, and to secure the establishment of a prosperity sphere in the East."

In may be recalled that in the period when Germany was throwing off the last remaining fetters of Versailles and rearming for the present war in Europe, Fat Marshal Hermann Goering told the German people that they were to get guns instead of butter, with the promise that things would be better once the Third Reich had secured all the *lebensraum* it required.

This program, in due course, has produced for Germany streams of blood and mountains of corpses. They are piling up now on the plains of Russia, and with them the corpses of a goodly number of Russians who only wanted to be left in peace.

The Japanese people, harnessed to an expansionist program essentially similar to that of Nazi Germany, have been given guns instead of rice. The rest—"streams of blood and mountains of corpses"—they have also had in the campaign in China. But if now their rulers plunge them into a war with other Powers, their's will be a still grimmer fate. Continuance along the path of aggression can bring them only defeat, for Japan is no match for the combination which she is succeeding in building up against herself.

The *Hochi*, Nazi-controlled newspaper in Tokyo, asserted on Aug. 1 that the economic sanctions taken against Japan by America and Britain were "the greates insult" Japan's history. An attempt is being made tot "suffocate" Japan economically, the paper complained. It urged Japan seriously to consider what should be done, adding: "The quicker the decision, the better the result."

In an editorial on Aug. 5, the *Japan Times & Advertiser*, mouthpiece of the Tokyo Foreign Office, accused the United States of consistently pursuing an imperialistic policy while attempting to portray Japan in the role of a military and economic aggressor. The United States, said the paper, has augmented its power at the expense of Canada and the Latin American countries, and has occupied Newfoundland, Greenland, Iceland, the West Indies and other islands. It has also established bases far out in the Pacific—"all in the name, if not in the principle, of self-defense."

To which the paper added: "Yet when Japan cooperates with a friendly state for joint defense of territory which is part of the Far Eastern sphere and which is essential to the prosperity of Japan and other complements, the United States adopts a holier-than-thou attitude and seeks to arouse public opinion against this Empire while employing her own economic sanctions and inciting other states to do the same.

"It is time," the Foreign Office organ concluded, "for re-examination by the American people of the imperialistic policy which designs attempted punishment of all foreign countries which do not line up with American power and politics. This country has a right to live at peace and in cooperation with the territories around it. Japan has worked consistently to keep peace in the Far East, but the United States has tried hard to keep a state of war in this part of the world."

Only an utter cynic to whom facts mean nothing could have written that last paragraph. It ignores completely Japan's ten-year-old policy of aggression and territorial seizures which began with the occupation of Manchuria in 1931, her lengthy record of unprovoked attacks upon China. No one will deny Japan's right to live at peace and to cooperate with her neighbors. But then she must respect the peace of others and not force "cooperation" down their throats at the point of a gun.

There are no indications that Japan has decided, or will decide, to reverse her aggressive policy. The influential Tokyo *Asahi* recognized this on Aug. 4 when it declared that there was little hope for improved relations between Japan and the United States in view of the "increasingly hostile" attitude of the latter. "It is now time for Japan to complete her preparations in anticipation of worse to come," the paper said.

Badlands Police Raid Joints, But Roulette Wheels Still Spin!

Despite reports in the local foreign and Chinese newspapers referring to the raiding and closing of gambling houses in the western suburban, or "badlands" district, there still are three large houses operating on a 24-hour schedule. The houses are:

ST. GEORGE GARDEN on Yu Yuen Road, opposite the Jessfield Park.

WONG MUR DING'S PALACE, No. 65 Edinburgh Road, formerly located at 150 Edinburgh, near the corner of Great Western Road.

SINO-FOREIGN HOUSE, consisting of two flats, one for Chinese and one for foreigners, located at No. 7 Tifeng Road. The manager, a Chinese named "Sue," was formerly connected with Farren's on Great Western Road, prior to the closure of that place several months ago.

It also was reported that six gambling dens in Nantao had been closed by the "Pacification Headquarters," but it wasn't an actual closure as permission was granted for the opening of "one large den on Chiu Mao Tien Road."

Poul Scheel, head of the local Consular Body, in a letter to Mayor Chen Kung-po, denied recent allegations that foreigners possessing exterritorial protection were operating gambling houses at Shanghai.

All raids which have been conducted recently in the badlands have either been directed at "small fry" houses which have sprung up in the district, or have resulted from racketeering activities of factions in the police or from fights between rival gambling groups. The three large houses are directly under the supervision of the Nanking Political Headquarters at No. 76 Jessfield Road, to which they pay approximately 50% of their gross income.

Sensational Disclosures of Japanese Intrigue In the United States

THE order freezing Japanese assets in the United States was issued on Saturday, July 26. In the five days which elapsed between the issuance of the freezing order and the end of the month, there were sensational disclosures concerning Japanese espionage and intrigue in the United States and insular possessions in the Pacific. These disclosures were largely obscured in the news by the more sensational developments concerned with Japan's moves to the south.

Full details regarding the extent of Japanese intrigue in the United States, Hawaii and the Philippines are not yet available, but recent news reports from Washington and elsewhere have indicated the far-reaching extent of subversive activities.

The recent expulsion of German consular officials from the United States and the round-up of Nazi agents, whose activities are still under investigation, led to disclosures showing the link-up between Japanese agents, the Nazi American Bund and the Fascist clubs in the U. S.

Latest and most sensational disclosure of Japanese intrigue was covered in a *United Press* dispatch from Washington on July 31, telling of the recent seizure in Hawaiian waters of 19 pseudo-fishing boats, which had been used by the Japanese for spying purposes in connection with the activities of the U. S. Navy and defense program in the Pacific. According to Elmer L. Irey of the U. S. Treasury Department's Enforcement Agencies, the crews of the seized vessels included officers of the Japanese naval reserve. As a result of the seizure the Government indicted 71 Japanese, mostly aliens, and three Honolulu fishing companies, which were found not to be bona fide. Mr. Irey reported that the fishermen and owners of the vessels had made frequent requested return trips to Japan for the announced purpose of obtaining "medical treatment."

Mr. Irey reported further that the Japanese fishing boats were found to be equipped with long-range radios sufficiently powerful to maintain communication with Tokyo and other Japanese shore stations. Some of the boats also had complete sets of hydrographic charts, including detailed outlines of waters about Hawaii. Another report stated that several sets of radio photographic cameras also were found on the boats and that the crew of each vessel contained a member of the Japanese Naval Reserve. In all cases it was found that while the boats carried the U. S. flag, the actual owner in every case was a Japanese subject.

Martin Dies, member of Congress from Texas, who is head of a special committee which has been investigating un-American activities, reported on August 1 that he had unearthed sensational evidence of a Japanese plot to sabotage the west coast of the United States. He said that a former member of a Japanese Consulate had testified that Japanese naval officers were operating from Terminal Island off Los Angeles, in cooperation with Japanese fishermen, whose craft could be easily converted into torpedo boats.

The Dies Committee reported that the freezing of Japanese assets had placed a further check on subversive activites of Axis agents in the United States, Hawaii, the Philippines and Latin America. The opinion was expressed that while Japanese activities were extensive, they were not as extensive as those of the Germans and Italians. A member of the committee expressed concern over the Japanese policy of regarding Japanese throughout the world as dual citizens of Japan as well as the country in which they resided.

Statistics of Japanese in U.S., including American born, are not available, but there are said to be 70,993 Japan-born Japanese in the United States proper. Total for both groups probably exceeds 150,000. Japanese in Los Angeles exceed 30,000. The number in Hawaii, including American-born, is 155,042, while the Japanese in the Philippines are thought to number about 25,000, most of whom live in Davao.

According to the Institute for Propaganda Analysis, the Japanese Government, a partner in the world Fascist Axis, has for several years been spending anywhere between US$7,000,000 and US$10,000,000 a year in building up and perfecting its propaganda and espionage agencies

Day-by-Day in Tokyo

Syndicated Cartoon in The China Press

in the United States. According to a late report of the Institute, the Japanese propaganda machine in the United States is the "biggest, the most impressive and by far the most expensive of any foreign power." In view of the attention which has been devoted to Nazi agents and their activities in the United States it seems strange that there has never been an official public investigation of Japanese propagands or espionage in the United States. Various explanations have been offered for this failure, one being that Japanese agents have so many friends in high places that they have been able, up to now, to forestall such an investigation.

While Americans have been quick to criticise the appeasement policies of European nations, few Americans are aware that the same appeasement policy which built Nazi Germany in Europe and then plunged two continents into war against it, are now showing similar results in the United States. An official Japanese short-wave radio broadcast from Tokyo to the United States on the evening of December 15, 1940 revealed that plans had been formulated for the creation of an "influential" appeasement *bloc* in the United States, and within two months such a *bloc* was formed with William R. Castle (of Honolulu) as one of its spokesmen. Others connected with the so-called "appease-Japan" group included at least two

prominent American publishers, Father Coughlin, leader of the "Christian Front," and William Dudley Pelley, who calls himself the Chief of the "Silver Shirts." The aim of this group, based on statements of members, was to obtain popular support for a so-called Far Eastern "Munich," which would leave Japan in control of all of China's ports, industries and the most fertile of her provinces. One stated reason for advocating this point of view was that America "could not fight on both oceans at the same time," hence it would be better to give Japan what she wanted in the Pacific, in order to be free to deal with the Germans on the Atlantic. According to an extended analysis of Japan's undercover drive in the United States, which appeared in the magazine *Friday*, the American appeasers with Japanese connections were trying to accomplish by propaganda what the Japanese armies had failed to accomplish since they intervened in Manchuria in 1931—the disruption of Chinese resistance.

"Big Brother Will Help"

Chicago Daily News

Space is not available for a reprint of the complete report, but it stated that the Japanese propaganda machine in the United States was operated through innumerable controlled organizations, news and photo agencies, tourist and shipping bureaus, chambers of commerce, so-called "silk research" committees, and through the many heavily-financed Japanese consulates scattered over the country. Through the Japanese "culture" agencies Japanese and pro-Axis propaganda was spread among colleges, libraries, forums, press, radio, women's clubs and fraternal societies. Scores of skilful publicists advocated a "realistic" Japanese viewpoint to Wall Street and to Washington.

The center of the Japanese propaganda machine in the United States is the "Japanese Institute, Inc." which occupies 10,000 square feet of space, elaborately furnished, in the expensive Rockefeller Center. Here Japanese agents from all parts of the United States and neighboring countries meet, confer, receive instructions and are hired and fired. From these offices in Rockefeller Center, and sub-offices in the Tribune Tower, Chicago, and in San Francisco, literally flow thousands of tons of propaganda material thoughout the United States. The Institute, obviously, receives its inspiration, instruction and finances direct from Tokyo.

Many of the Americans who are or have been connected with the Institute in one way or another, are known in the Far East. Some of the names listed in the report were, Frederick J. Moore, former newspaperman in Tokyo, Peiping and Shanghai; Major-General John O'Ryan, who visited Shanghai two years ago; Robert A. Wright, Arnold Donald Bate, former Shanghai newspaperman; Helmut L. Ripperger, Frederick Valentine Williams, who was sent to Nanking two years ago for the purpose of interviewing Wang Ching-wei, head of the Japanese-protected "National" government of China. Willams previously had political connections with the Democratic Party in California. Upon his return to the United States, Williams posed as an "unbiased" observer and in imitation of Dr. Goebbels spread the propaganda that Japan was fighting to save China from "red atheism." He lectured on this subject before several prominent Catholic organizations following his return.

Others listed in the report included Wendell P. Colton, Jr., connected with an office in San Francisco, which received US$17,795 from the Japanese Board of Tourist Industry and US$9,650 additional, for "cultural" propaganda. Another, a New York publicist named William J. Baxter, was president of a so-called International Economic Research Bureau, and previously was connected with "silk" research. Baxter wrote a book, "Japan and America Must Get Together." Another, well known in Shanghai, is Carrol Lunt, publisher of a little magazine *China Digest*, who has been connected with the Japanese many years as a lecturer and publicist. He makes frequent trips across the Pacific from the United States to Tokyo, presumably to obtain fresh instructions on how to "win" America for Japan. Another on the West Coast is David Warren Ryder, who writes books that are circulated by the thousands by the Japanese Chamber of Commerce at San Francisco. A California woman, Mrs. Winifred Bentz of Santa Barbara, delivers a stock lecture on "Backward China," which obviously is paid-Japanese propaganda. Prescott Dennis operates in Washington, D. C., where he circulates a news-service of Japanese propaganda.

Much of the Japanese propaganda circulated in the United States follows the Nazi pattern of anti-Semitism. This was true of the propaganda circulated by Peter Stahrenberg, head of the pro-Nazi *American Nationalist Press*, which had close Japanese connections. He frequently editorialized on the subject, "Do You Want a Bolshevized China?" Charles B. Hudson, who had an office in Lincoln, Nebraska, also combined Japanese and Fascist propaganda. General Harboard, once prominently connected with Radio Corporation of America, delivered several lectures, following his return from the Far East in 1937, on the subject, "Japan is Waging Our Battle for Civilization."

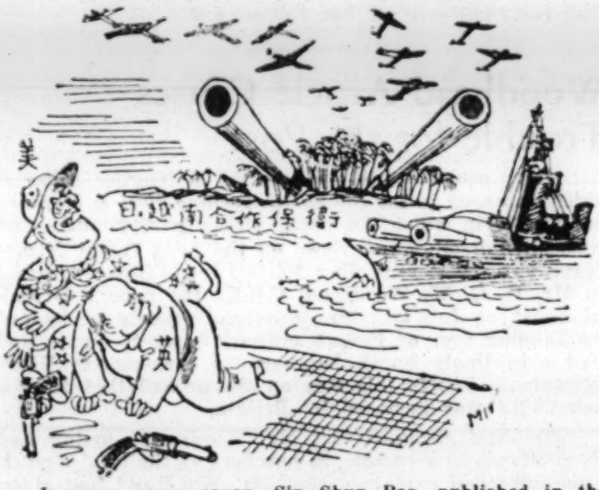
As mentioned previously, Japanese propaganda in the middle-western states, is centered in Tribune Tower, office of the *Chicago Tribune*, powerful anti-Administration paper, owned by Col. Robert R. McCormick. Col. McCormick tells visitors that he "doesn't like the Chinese," so he only has one correspondent in the entire Orient, Mr. Kimpei Sheba, a Japanese, in Tokyo. Shortly after the outbreak of Sino-Japanese hostilities in 1937 Col. McCormick closed the two *Tribune* bureaux in China—at Peiping and Shanghai—and since has concentrated his "coverage" of the Orient at Tokyo, where Mr. Sheba serves as sole correspondent in Asia for the "World's Greatest Newspaper." When Col. Charles A. Lindbergh delivered his speech in Chicago on the "Asiatic Menace," in which he allegedly failed to mention Japan, he was reported to have made his headquarters in Tribune Tower. Another former *Tribune* protege, Harry Augustus Jung, violent anti-Semite, poses as an American Fascist and circulates pro-Japanese propaganda in the Central States. Another frequent visitor at the various Japanese propaganda offices in Tribune Tower is Charles J. Zeller, who has a connection with the House of Mitsui.

Another distributor of Japanese propaganda, who once visited in Shanghai, is Count Anastase Vonsiatsky, a White Russian Fascist, who married a rich American woman, and since has used her money to finance his magazine *The Fascist*. He is associated with two others in this activity, Capt. John B. Trevor, president of the "American Coalition," and Walter S. Steels, who preaches the doctrine of a "realistic attitude" toward Japan.

Two others, who deserve separate paragraphs, are Ralph Townsend and William Dudley Pelley. Townsend came to the Far East in 1931 and served exactly three months in the American consulates at Shanghai and

Amoy, following which he resigned and returned to the United States as a lecturer and writer of books advocating the Japanese point of view in the Orient. His first book, "Ways That Are Dark," damned the Chinese race from every point of view and at the same time damned in equal fashion the traditional American policy in the Orient. The Japanese Chamber of Commerce in San Francisco bought thousands of copies of this and Townsend's succeeding books, which are distributed all over the United States to libraries, members of Congress, preachers, editors and other moulders of public opinion. It is worthy of special note that Townsend's books are prominently displayed at the "Germania Book and Specialty Corp." of New York, chief source of Nazi propaganda in the Eastern States.

Franco-Japanese "Cooperation"



Japanese army organ, Sin Shun Pao, published in the Chinese language at Shanghai, shows Roosevelt and Churchill terrorized by Franco-Japanese "cooperation in the defense of Indo-China against the Anglo-American gunmen."

Wm. Dudley Pelley is the publisher of an anti-Semitic magazine *Liberator*, and reputedly a leading worker in the U. S. Fifth Column. Prof. Jiro Yogo of Yokohama recently referred to Pelley as one of the outstanding advocates of "understanding" between Japan and America. He recently charged that the "Jewish International" was responisble for the trouble in China.

So much for the "culture" angle. Turning to the commercial side, further columns could be filled with names and descriptions of Americans, with powerful and profitable Japanese connections, who argue that Japan should be given the right-of-way in the Orient because Nippon "is such a good customer of America." These men have profited immensely from the sale to Japan of steel, scrap, munitions, oil, and the other things which have enabled the Japanese war machine to overrun much Chinese territory and blast thousands of Chinese towns and villages and their inhabitants to smithereens. Also prominent in the list of Japan's protagonists were officials of chambers of commerce in Los Angeles, Seattle, San Francisco, Portland, Galveston, Houston, New Orleans. In this list was included Col. James E. Edmunds, former associate editor of the *Cotton Trade Journal*, and Herbert M. Bratter, former official of the U. S. Department of Commerce, who urged American recognition of Japan's conquest of Manchukuo. Another, Charles E. Sharron of the New York *Journal of Commerce*, visited Japan and upon his return devoted an entire supplement of 100 pages in his paper to "America's Economic Interest in Manchukuo." The supplement was filled with advertisements of the South Manchuria Railway and subsidiaries and the big Japanese companies, hence it was no mystery who financed Mr. Sharron's trip.

Direction of this far-flung propaganda machine in U.S.A. naturally heads up in high places in Tokyo, but actual control is in the hands of Japanese "experts," including K. K. Kawakami, nominal correspondent for Tokyo papers, at Washington; Viscount Kikujiro Ishii, director of propaganda; Admiral Matsuzo Nagaio, head of the "Institute" in Rockefeller Center.

WHOM WILL THE FREEZING HURT MOST—JAPAN OR U.S.A.?

BY JOHN AHLERS

FREEZING of Japanese assets in the United States, enforced from July 26, does not constitute a dangerous blow against Japan but, boomerang-like, will disastrously affect American Far Eastern trade, the Tokyo press pretends upon inspiration of the Japanese Cabinet Information Board. Newspapers in Japan for the past fortnight were full of pseudo-commercial articles which tried to minimize the importance to Japan of trade with the Anglo-Saxon countries, while at the same time magnifying the commercial losses which Uncle Sam is supposed to suffer as a result of the freezing action. Such articles, of course, were not backed up by even the most elementary figures. The arrival here of a booklet full of detailed figures on value and volume of the United States' foreign trade, published by the Foreign Commerce Department of the Chamber of Commerce of the United States at Washington, is therefore very timely. The booklet covers the three-month period January-March, 1941, and shows the present real situation, since during the April-to-July period only minor changes occurred in the major directions and commodity groupings of U.S. foreign commerce.

This booklet ought to be found in all ante-rooms of American consulates, Chambers of Commerce, and business firms. It makes most interesting reading, and reveals a series of truly startling facts generally little realized. It reduces to absurdity two well-known Japanese claims which used to play an important part in Japanese propaganda calculated to lure Washington into continuation of unconditional appeasement vis-à-vis Japan. One of these claims is that American trade with Japan proper is worth much more than American trade with countries where Japan endeavors to establish her "new order." The other is that trade with Japan means to the United States as much as does American trade to Japan. Both of these propaganda claims are intended to induce Americans to believe that by opposing Japan they stand to lose more or at least as much as they stand to win. Both claims are completely unjustified in the light of the American official foreign trade figures which are being used in the following paragraphs. All figures are in American currency, and apply to the first three months of the current year.

In the field of American exports Japan, it is true, remains the fourth customer of the United States. But her share in U. S. exports is a mere 3.3 per cent. If trade figures be a yardstick of political interest, the British Empire is entitled to almost twenty times greater American accommodation than Japan because the Empire's share in U. S. exports has increased to 63 per cent. As a customer of America, compared with Britain's Empire, Japan is a dwarf. Besides, American exports to Japan follow a sharply downward trend. For the three-month period under review, as compared with the previous year's corresponding period, these exports declined by no less than 48 per cent. On the other hand, American exports to Asiatic dependencies of Great Britain during the same period increased as follows: India—50 per cent; Hongkong—56 per cent; Burma—139 per cent; Malaya—238 per cent.

Now let us compare American exports to Japan, valued at $32,808,000, with U. S. exportations to countries of the Far East threatend by Japan. Exports to these countries were as follows:

Philippines	$23,744,000
Netherlands Indies	21,637,000
China	19,988,000
Malaya	12,393,000
Hongkong	6,546,000
Burma	2,685,000
French Indo-China	1,951,000
Thailand	1,791,000
Total	$90,735,000

It turns out that the United States sells to countries threatened by Japan almost three times as much as to Japan itself. Besides, American exports to most of these countries are increasing while American sales to Japan are declining. About one-sixth of American exports now go to Asia, and 60 per cent of this goes to countries menaced by Japan.

Nobody can honestly deny that these figures impressively argue against the Japanese propaganda claims. Yet much more impressive are corresponding figures on American imports from the Far East. The United States this year is deriving more than one-third, to be precise 36.5 per cent, of its imports from Asiatic countries, and mostly from the countries invaded or menaced with invasion by Japan. From such countries Uncle Sam buys over one-quarter of his total imports, while South America supplies but 20 per cent of American importations. Japan has but a share of a mere 4.3 per cent in U.S. imports. American imports from Far Eastern victims or prospective victims of Japan are:

British Malaya	$ 85,742,000
Netherlands Indies	43,717,000
Philippines	22,104,000
China	16,494,000
French Indo-China	8,076,000
Total	$176,133,000

Including small imports from Hongkong, Thailand and Burma, the United States during the first quarter of this year bought from these countries over $180,000,000 worth of supplies. From Japan, during the same period, the U.S. derived but $30,010,000 worth of supplies. British Malaya alone is a source of supplies three times more important than Japan. All the countries in question together surpass Japan six times as exporters to the U.S. These countries yield two of the four most important commodities in American imports, viz., rubber and tin, constituting a full fifth of all American imports from abroad.

For these commodities and other important produce and metals exported by Japan's present and intended victims in East Asia, normal Japanese import demand is on the average but one-tenth of normal American import demand. Yet Japan by all means endeavors to cajole these countries into submission. It is clear that she is motivated by a desire, not so much to secure her own supplies, as to obtain control of vital foreign sources of supply of the United States. Pretending to be concerned about the materialization of her own economic self-sufficiency, Japan in reality wants to dissolve America's intimate economic relations with East Asia. If she succeeded in establishing her hegemony in what she prefers to call the "Great East Asia Co-Prosperity Sphere," she would have at her mercy two-fifths of the United States' foreign sources of supplies. To acquire a position from which economically to dictate to America—that is what Japan really tries to achieve.

It is obvious from the figures cited above that Japan's propaganda claims as regards the nature of American trade interests in the Far East have no basis in fact. The simple facts are that the United States, economically, is infinitely more interested in the East Asiatic countries threatened by Japan than in Japan herself. It is equally a fact that Japan's trade with America amounts to but little in United States foreign trade as a whole. Japan shares with but 4.3 per cent in American imports, and with only 3.3 per cent in U.S. exports. The United States, on the other hand, in Japan's trade with non-yen-bloc countries, shares with some 45 per cent in Japan's imports, and some 35 per cent in the country's exports. It is clear which of the two countries stands to lose more from discontinuation of their mutual trade: the United States stands to lose less than four per cent, but Japan more than forty per cent of her foreign trade.

Woodhead Article Causes Trouble for the Post

Many people were mystified by a lengthy editorial which appeared in the *Shanghai Evening Post & Mercury* on July 30 in which the paper virtually repudiated, and dissociated itself from, views on the most recent Vichy-Tokyo agreement regarding French Indo-China expressed by Mr. H. G. W. Woodhead, C.B.E., the paper's British columnist, on July 26. Mr. Woodhead roundly condemned the handing over of French military bases to Japan and used exceedingly harsh language to characterize Vichy attempts to justify this step on the ground that French Indo-China was menaced by Britain.

The *Post* disclosed that Mr. Woodhead's article had given offense to a number of members of the local French community and explained that Mr. Woodhead had given expression only to his personal views. It regretted that Mr. Woodhead had written as he did and that the paper had lent itself to the dissemination of his article.

The *Post*, an American newspaper, has its publishing offices at 19 Avenue Edward VII in the French Concession. Through the medium of the ubiquitous bamboo telegraph word has gone abroad that the *Post's* climb-down on the Woodhead article followed a visit to the publishers by representatives of the Concession authorities. These gentlemen informed the *Post* that French police guards, stationed outside the *Post* building as a precaution against terrorist attempts against the paper, were to be withdrawn to mark French displeasure at Mr. Woodhead's article. And they were withdrawn.

In view of the fact that the *Post* has frequently been an object of terrorist bombings by agents of the Nanking puppet government, and that several members of its staff have been killed by them, it is difficult to believe that, in retaliation for what was considered an offensive piece of writing, the responsibile French authorities would go so far as to withdraw obviously needed protection. Yet this is precisely what they did. The guards returned to duty after the *Post* had made amends as described above.

The *Post's* act of appeasement had its inevitable consequences. A news broadcast in the Russian language over the Post-Mercury station was promptly banned by the Concession police. The broadcaster was Mr. V. V. Drozdoff, assistant editor of the *Russian Daily News*, a Soviet newspaper. His broadcasts consisted in the main of releases by *Tass*, the official Soviet news agency, on the Soviet-German war. The *Post* itself explained that Mr. Drozdoff had been taken off the air because he had violated his contract with the station which called for "straight" newscasts without any comment — and Mr. Drozdoff had been commenting.

The French Concession authorities long ago hitched their wagon to the Vichy star. This explains their extreme sensitivity to any criticism of the Petain regime and its doings in the Far East and, of course, their hostility to anything savoring of Soviet propaganda.

Japan Invokes All Provisions Of the National Mobilization Law

Provisions of Japan's National General Mobilization Law hitherto not invoked were being put into effect this week according to reports from Tokyo as efforts went forward to meet Anglo-American economic sanctions and to lace the entire life and economy of the country into the straitjacket of a rigid wartime regime.

Exactly what provisions of the Mobilization Law are being invoked has not been made clear, but reports have given some indication. For one thing, the entire electrical system of the country is being brought under official control to subserve war needs. Other hitherto untouched branches of industry are similarly to be controlled. The various measures, in their totality, spell further hardships for the Japanese people.

The *Hochi*, Nazi-controlled newspaper in Tokyo, declared on Aug. 5 that "to carry out our task fully, the national life of Japan must be drastically modified to meet the new situation." In order to carry out Japan's "unprecedented task," the fullest strength of the nation must be mobilized, the paper continued, adding: "We urge the Government to carry out sweeping changes in its own system and shout to the people in the frankest terms the real dangers now confronting Japan."

Japan's war in China long ago deprived Japan of self-sufficiency in food. During the past year and more there has been an actual shortage. The Minister of Agriculture and Forestry felt it necessary to give some assurances to the Japanese people on this score. "I assure you," he declared on Aug. 4 in a radio broadcast, "that Japan will never face real difficulties as far as food is concerned. But I earnestly hope that producers, distributors and consumers will cooperate closely to solve the food problem."

What assistance the "consumers" can give, except to consume less, is difficult to see. And here is the point exactly: Japan's consumers will have to consume less and less as time goes on. This is the essential meaning of the full invocation of the Mobilization Law.

Justification of Aggression—But The Whole Story is Not Told

At long last we have come across what appears to be a reasonable attempt to justify Japan's southward expansion and give to it the aspect of a policy of objective necessity occasioned by the actions and attitudes of Japan's rivals in the Pacific. We use the word "appears" advisedly.

The *Japan Times & Advertiser* published an editorial on Aug. 2 in which it commented on the statement issued on July 24 by U. S. Under-Secretary of State Summer Welles, in which the latter condemned Japan's action in forcing the Vichy government to sign away bases in French Indo-China. Mr. Welles said that "the purchase of tin, rubber, oil and other raw materials in the Pacific area on equal terms with other nations requiring these materials has never been denied to Japan."

With this assertion the Tokyo paper took issue. "A smooth explanation too often covers the roughness of truth," it declared, pointing out that only on the surface did it seem that all countries had equal access to raw materials in Malaya, for example. "Purchases were licensed. All could ask, but few — only a favored few — received. As far as Japan was concerned, she had always been flatly refused and a *de facto* embargo was enforced."

The United States, on the other hand, set up a "Reserve Company" in Malaya which monopolized all rubber, tin and other raw materials with the full support of the local authorities: "In other words, Japan could go and buy all she wanted, but she would just find all stocks already disposed of by previous agreement with another customer."

A similar situation prevails in South America, according to the Tokyo paper: "The widespread effort to close all markets to Japan by buying up surpluses, so that the market can explain that it is sold out, will not convince many people that politics and economics in this case are not one. If Japan is artificially excluded from sources of supply, it will be supported in its determination to build up a co-prosperity sphere where supplies can be assured and where markets for distribution to Japanese manufacturers likewise are certain. The shutting out of Japan merely hastens the course of self-sufficiency in the Pacific."

One can assume that the facts adduced by the paper are substantially true. And on the surface they afford a plausible case. The fact remains, however, that to a large extent Japan's inability to buy certain materials is due to her own actions. By making war on China, she so damaged her foreign trade structure that she was unable to command sufficient sums in foreign currencies to finance raw material purchases. She then resorted to force or threats of force to compel certain countries (French Indo-China) to do business with her on a barter basis. These aggressions have called forth Anglo-American retaliation and Japan's difficulties have been correspondingly increased.

It all can be traced back to Japan's unwarranted aggression against China. Had Japan kept the peace, she would have enjoyed an unrivalled trade position due to the war in Europe. The war needs of Britain and the United States would have caused Japan some difficulty in the matter of securing adequate supplies of certain raw materials in Malaya, the Netherlands East Indies and the countries of South America. But this difficulty would have been nothing as compared with the economic catastrophe that faces Japan's today. And Japan's sound trade position would have sufficed to overcome it.

The complaint of the *Japan Times & Advertiser* may be well-founded and appear to offer a plausible explanation for Japan's continuing aggressions. But, as indicated above, it does not tell the whole story and is therefore invalid.

Japanese Economic Plight Told By Travellers Arriving Here

Evidence of the severity of the economic crisis already gripping Japan before Anglo-American and Netherlands Indies "freezing" measures went into effect, and likely now to be considerably intensified due to the curtailment of Japan's foreign trade which those measures must entail, were brought to Shanghai this week by competent observers who have spent some time in Dai Nippon.

First among the facts disclosed—and something hitherto not known in Shanghai or elsewhere—is that the torrential rains which deluged Japan for three weeks in July ruined thousands of acres of rice lands and destroyed enormous quantities of foodstuffs in storage when warehouses collapsed under flood pressure.

So serious was the catastrophe, the observers stated, that the Emperor called upon Mr. Hiroyasu Ino, Minister of Agriculture and Forestry, to report on the disaster in detail to the Throne.

Due to shortage of shipping, it is further disclosed, Japan has been able to import only 250,000 tons of a scheduled 700,000 tons of rice from French Indo-China, thus rendering desperate the country's food situation.

Oil imports from the Netherlands Indies are also said to be far behind schedule, while the new Batavia control measures threaten further heavy losses of this vital item.

The parlous plight of the country as regards metals, is illustrated by stories told by travellers arriving from Tokyo. They report that iron fences, railings and gates —especially the iron gates on government buildings—are being removed throughout the capital in frantic efforts to make up the iron shortage.

Poor distribution and government price fixing are meanwhile accentuating all difficulties on the economic front.

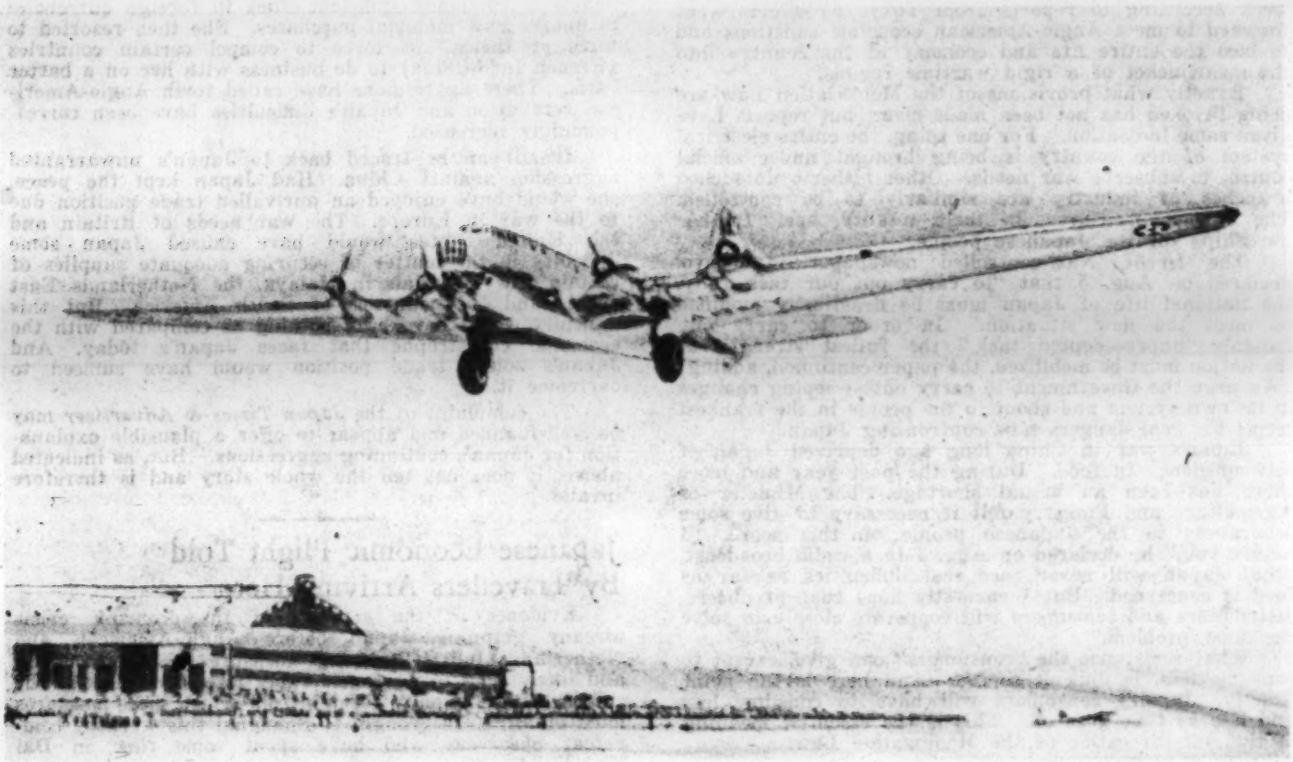
It is not believed, recent arrivals state, that Japan is already on the verge of economic collapse, for she still has some reserves of vital necessities. But further external economic pressure, it is firmly believed, will drive Japan to the wall and force her to desperate efforts to "shoot her way out" of the difficult situation.

The Japanese believe, observers state, that Anglo-American attempts to "encircle" Japan are a definite reality. They will not halt their southward expansion policy and therefore anticipate an acute crisis in the Pacific.

It is reliably learned that at least one million Japanese reservists have been called for active service during the past month, including men between 45 and 48 years old. Some factories have been forced to close because their technicians have been called for military service. The reservists are being sent both to the north (Manchuria and Korea) and to the southern spheres of Japanese power.

PICTURES AND CARTOONS FROM A WORLD IN CONFLICT

World's Greatest Bomber Takes Off for Test Flight



The Chicago Tribune

Pictured above is the B-19, world's largest bomber, taking off from Clover Field, Santa Monica, California, for its first test flight on June 27. Built by Douglas Aircraft, the giant machine will weigh 82 tons when fully loaded.

"So Vot?"

Temple in New Orleans Times-Picayune

Axis Bed "Partners"

The Chicago Daily News

Japanese Air Raiders Damage Two American Missions in Kwangsi

BRITISH MISSIONS HIT IN SZECHWAN RAIDS

British and Canadian mission property suffered in Japanese air raids on Tzeliutsing, western Szechwan, on July 28, according to a delayed United Press report received in Shanghai on Aug. 6. Waves of Japanese planes bombed the city at intervals of 30 to 45 minutes from 9 a.m. to 3 p.m., starting six large fires and practically demolishing the business center. The nurses dormitories of the Canadian Mission Hospital were squarely hit by a bomb and completely wrecked. The British Women's Missionary Society residence was likewise directly bombed and wrecked, while another bomb destroyed the chapel. There were no foreign casualties, but many Chinese were killed and wounded.

Except for sporadic skirmishes in Hupeh and Chekiang provinces, the military fronts in China have continued quiet during the past ten days. But while the fierce Japanese aerial offensive against Chungking and Chengtu, in Szechwan Province, has been suspended for more than a week, in Kwangsi, Hunan and Shansi provinces increasing Japanese aerial activitty has been reported.

During a raid by 21 Japanese planes on Kweilin, capital of Kwangsi Province, on Aug. 4, two American mission properties were hit and damaged. They are the American Church Mission and the American Baptist Mission. The former suffered damage from fire and the latter was slightly damaged, according to reports.

The official **Central News Agency** reported a series of battles since Aug. 1 in the vicinity of Ichang, Hupeh province, in which Chinese troops scored a victory, killing 1,700 men out of the 80,000 invaders. The agency also reported recapture of the important county seat of Chaoyang, eastern Kwangtung, on the same day.

A Japanese military dispatch stated that Japanese planes subjected Yenan, important base of Chinese communists in Shensi province, to a devastating raid for two consecutive days on Aug. 3 and 4. Military objectives and ammunition dumps were claimed to have been directly hit.

Extensive Japanese aerial activities over Hunan province were reported by **Havas**, which said that 81 Japanese planes raided west and south Hunan in five separate formations.

The first formation of 26 planes concentrated on Hengyang, important communication center in Hunan Province, hammering both banks of the Siang River upon which the city is situated. The 55 other planes carried out raids over a number of Hunan cities including Siangtan, Chuchow, Liling, Chenki, and Changsha, the provincial capital.

During the Japanese air raid on Chungking on July 30, the American Seventh Day Adventist sanitorium in the western outskirts of the capital was destroyed, causing damage amounting to $80,000, the Rev. E. L. Longway, head of the West China Mission, announced on Aug. 2. A Japanese bomb was said to have landed squarely on the main building.

Resumed activities of the Chinese guerillas in the vicinity of Hangchow, Chekiang provincial capital, was disclosed by **Kuo Min**, which said that, in an attack on Changmingkiao, northwest of Hangchow, the guerillas on July 31 disabled five Japanese military trucks, causing scores of casualties.

Large-scale withdrawals of Japanese troops from central China, presumably for participation in coming southward or northward drives, marked a new phase of the four-year-old Sino-Japanese hostilities. Recent fighting in western Hupeh and northern Kiangsi, according to **Kuo Min**, may be regarded as Japanese rearguard actions to protect the withdrawal of the main Japanese forces.

Commenting on the withdrawal of the Japanese forces, General Wen Chiaochi, Loyang garrison commander and deputy chief-of-staff in the area, told the **United Press** that "whatever move the Japanese make, whether south, north or both simultaneously, the Chinese will be ready to make the most of the opportunity."

Japanese Shipping To U.S. Halted

Some six hundred Americans are stranded in Japan as a result of the cancellation of all shipping services to the United States by Japanese shipping companies which was announced on Aug. 4. Officials of the U. S. Maritime Commission intimated this week that their Emergency Shipping Division would possibly make arrangements for a ship to call at Japan to evacuate the stranded ones if a request to this effect were made by the State Department. One ship is considered adequate, since of the 3,747 Americans in Japan, the large majority are of the Japanese race and are believed likely to remain in the land of their forefathers.

Suspension of Japanese shipping services to the United States followed the "freezing" of Japanese assets in the United States, which makes it impossible for Japan to use the U.S. currency which would result from cargoes delivered.

Most Americans in Japan, it was reported this week, had given up their homes and disposed of whatever belongings they did not intend to keep, in anticipation of leaving for home in the nearest future. They will now have to await the arrival of a "rescue" ship.

The order suspending Japanese sailings halted the departure of the Nitta Maru from Kobe. The vessel left Shanghai last week and had 439 U.S.-bound passengers aboard, many of them American citizens. Those who boarded the ship in Shanghai were made to sign a statement that they understood they would not be conveyed beyond Kobe. They took a chance on being able to continue the voyage to the United States.

Mr. Cordell Hull, Secretary of State, who returned to office this week after a month's rest, reminded Americans that they had been warned to leave the Far East as long ago as last October.

The N.Y.K. liner **Tatuta Maru**, which hovered off the California coast for five days pending clarification of the U.S. freezing order, docked at San Francisco on Aug. 1 following official assurance that the vessel would not be detained. It was intimated, however, that the ship would not be permitted to unload her silk cargo valued at US$2,500,000, largest single silk shipment ever to cross the Pacific.

The vessel made ready to sail back to Japan the same day (having secured a license to refuel), when five American firms filed writs of attachment against the silk cargo, demanding that delivery be made. Negotiations followed and finally the silk was unloaded. The Tatuta Maru is now on her way back to Japan, empty of cargo but with several hundred passengers on board, mostly Japanese.

Local Russians Pledge Loyalty to U.S.S.R.

In a manifesto issued late last week, the Roung Russian Party in Shanghai ("Mladorossi',) urged local Russians to cast aside political differences and help their native land in the struggle against Nazi Germany.

While maintaining its opposition to the Soviet regime, the party will not actively oppose it as long as it defends the native soil, the manifesto stated, adding: "The party has always been guided by the interests of Russia and her family of peoples and in this difficult moment, when Russian blood is flowing from the Arctic Ocean to the Black Sea, when the Russian people are resisting each and every German thrust into their country, party members, who are sons of Russia, repeat once again that the place of each Russian is on the side of his nation, that there can be no political controversies, and that Russians can and should give their lives only for their country."

Another local Russian organization, representing the Monarchist tendency and embracing mainly the older generation of Russian emigres, issued a statement in which it expressed hope for a German victory over the U.S.S.R. so that the ancient glories of Russia might be restored.

Puppets Demanding Income Tax Payment

In a first move toward collecting income tax from business enterprises in both the Settlement and the Concession areas of Shanghai, the Nanking Ministry of Finance last week issued official notices to local Chinese and foreign firms, including those having extraterritorial rights, requiring them to report to the local tax agency the amount of their income upon which the tax will be based.

This is the first time that foreign firms are required to pay income tax to local Chinese authorities. Several American and British firms which were recipients of the notification said that it would be ignored in view of their extra-territorial rights.

Within twenty days after receipt, the notice asserted, the recipient is required to report the amount of income during the year 1939-1940 to the local tax office, which is situated at No. 121, Lane 668, Yu Yuen Road. Failure to report within the designated period will entail a fine of $20, it was stated. For any intentioned delay in reporting or for submitting a false report, the responsible agent of the business is subject to a penalty for evasion, which may be one year's imprisonment, the notification added.

Firms in the French Concession received the notification weeks ago, and, according to Nanking papers, many firms, including some foreign ones, have already complied with the Nanking order. In view of the cooperation between Nanking and the French Concession authorities, firms in the Concession are expected to comply with the notification. Whether firms in the Settlement will follow suit is expected to depend upon the attitude of the Settlement police authorities.

Journey to China's Capital

BY WALTER BRIGGS

Editor's Note:—The author of this article was formerly on the editorial staff of The Review. He left Shanghai in June for Swatow, where he and his companions struck inland for a journey to Chungking, the Chinese national capital. The first part of his travels is described below. The further stages will be described in an article next week.

Men and goods pour into Free China through numerous loopholes in Japan's "blockade" of the China coast. One of these loopholes is near the Kwangtung Province port city of Swatow, which was occupied many months ago by the Japanese.

Five young American ex-residents of Shanghai recently entered Free China through Swatow and travelled overland for five weeks by launch, sampan, junk, foot, sedan chair, truck, train and bus —to Chungking, wartime capital of China. The group included a Y.M.C.A. student secretary in China, a Wisconsin lad interested in Red Cross work, a married couple en route to Szechwan to teach and the writer.

Off by Launch

Getting into Free China was no trick. Numerous business launches run up the bay at Swatow and at the mouth of the principal river emptying into the bay is Free China. The only experience our group had with the Japanese was a cursory examination by Japanese gendarmes of the baggage of two of us just before we pulled away from the pier and headed up the bay.

Our first encounter with Free China was a supreme thrill; for four of us it was a first experience outside of occupied territory. Scarcely four or five miles from where we had left a city heavily garrisoned by Japanese military forces our launch docked at a point where a soldier in the uniform of Free China stood guard and scores of persons and heaps of goods were making their way inland. The soldier appeared to us as a living symbol of the China which is fighting for its freedom and the entire area breathed a spirit of freedom unknown by millions of Chinese and foreigners in areas under Japanese control.

From this point by small sampans we wound for hours up a small stream through lush rice fields and picturesque villages. Eventually, as we reached a river, we shifted to a junk and thence to a launch, which landed us at Kityang about sundown.

At a Mission Hospital

There we visited Dr. William Braisted, an American who is doing the work of an army as director of a mission hospital. He took us to the operating room and described how he and a Chinese colleague had handled victims of air raids. Tables were set up at opposite sides of the room and the two doctors examined and worked on patients with great rapidity, as they were moved up in two lines. The doctors took ordinary flesh wounds and difficult, complex operative cases in their stride.

At Kityang we boarded a sampan for a 40-li trip upstream which was expected to take one and one-half days. A li is about one-third of a mile. However, we had been on the way only a few hours when the rain began to fall in torrents and the current became too strong for travel. We cooked our rice in the sampan and laid over for the night as the downpour continued, sleeping on mats in the boat. The following morning we shifted to a larger sampan and continued upstream for a short distance, but another heavy rain swelled the river still more and halted the second boat. We spent another crowded night on a sampan and the following morning, braving the continuing rain, we set out with five carriers on a 40-li, cross-country trek to our next destination, a pleasant little country village.

A Lone French Priest

When we were well on the way, the rain ceased and when we reached the town in late afternoon we plunged into the fast-moving stream nearby and afterwards gorged ourselves at a side-walk restaurant. We also met the only foreign resident of the village, a French priest who had spent 30 or 40 years there without returning to his homeland and who had learned English "through a Montgomery Ward catalogue." Eventually, we retired to the benches of the village chapel for a night's sleep.

Early the following morning the five of us set out, with six carriers and two sedan chairs, on which we alternated, for a day and one-half tramp in the mountains through "Monkey Pass." The trail took us over a former motor road which had been punctured with yawning holes every few yards as an anti-tank defense measure. On this stage of our journey, a matter of about 120 li, we saw literally thousands of carriers of gasoline and kerosene and other goods smuggled inland from the coast. We also saw gangs of carriers transporting marine mines towards the coast.

China's Marvelous Carriers

One of the marvels of China is her carriers. They carry loads up to 100 pounds, balancing half on each end of a bamboo pole, which they alternate from shoulder to shoulder. They find a half-walking, half-running gait most suitable to carrying such loads and even the best walkers find themselves pressed to maintain the carriers' pace, especially early in the day, when the carriers are fresh. Men and women alike carry such loads. It was our experience that the heaviest loads were shifted to the women, who bore them apparently without complaints. Prices for the carriers, phenomenally high as a result of wartime inflation, were cheap in terms of the United States dollar—about $1 each for the day and one-half of work.

We spent the night in a native inn at a small village high in the mountains and celebrated the day's marching with a couple of bottles of potent Kwangtung white wine. Early the next morning we were on the road again, and by noon had arrived at another large river. There we paid off our carriers and engaged a sampan on which we floated about 40 li downstream to Meihsien, an important commercial city of northeastern Kwangtung. There we broke in about 10:30 p.m. on some mission school friends, who served us a delicious midnight meal—one of the highlights of the trip to our gang of weary travellers.

After six days in the "wilderness," Meihsien, isolated though it is, seemed a cosmopolitan city: electric lights, soda pop, soap, books, drugs. And Meihsien was the first point in the interior where we established contact with the network of motor roads which gradually is expanding over the whole of China's interior. With its concentrations of uniformed troops, its units of the Chinese Industrial Cooperatives, its large motor transport facilities, its clusters of national and Kuomintang flags, Meihsien was the first place within the country where we felt genuinely in touch with the vital new China at war.

Meihsien snuggles in a valley between coastal mountains and mountains which rise in the west. There we obtained transportation to Shaokwan, wartime capital of Kwangtung, on a truck carrying salt. The truck was an International of ancient vintage, but manned by an able driver (a rarity in China, I understand). We threw our duffel bags atop the salt bags and climbed in on our baggage, where three of us alternately reclined, while the other two rode in the cab with the driver.

Trucks on the Road

Hundreds of trucks were plying in both directions on the road, many of them using charcoal and alcohol as fuel, and carrying military supplies, the mail,

Coolies Carrying China's Commerce

Photo by Thomas Kwang

Millions of pounds of goods, including gasoline, progress through China on men's backs, as seen above. In the eastern provinces the mode of carrying is different, the loads being slung from bamboo poles.

bank business, salt and other commerce. There were many different models of American chassis, and most carried a standard-sized wooden box-car-shaped frame. They were uniformly painted a battleship grey as the best camouflage against Japanese bombers. We passed one large concentration of new American trucks being used for military purposes. There also were on the road a number of dilapidated buses, heavily loaded with travellers.

Drivers and mechanics are one of China's major transportation problems. Many of them either are inexpert at their business, or so adept at the ancient Oriental art of "squeeze," that they present a constant difficulty to their employers. China's roads, of course, desperately need well-stocked garages at regular intervals, but China also needs mechanics who understand the meaning of care in their work and drivers who take some thought for their trucks. We saw many drivers and mechanics at work and know these problems to be pressing.

The recent arrival of American technical transportation experts may serve to alleviate some of these problems.

There evidently are several kinds of "squeeze," the term applied to the practice, not entirely Chinese, of taking a dishonest "cut" on any kind of a business deal. The drivers and mechanics may pick up an extra paying passenger or two outside the city, away from the eyes of their bosses. They may switch off their gas and ride the brakes on the downgrades, then sell what remains of their carefully-rationed fuel. They may detach and sell some of the products they are carrying, or parts of the trucks itself.

About Chinese Inns

Our trip betweeen Meihsien and Shaokwan brought us into thorough familiarity with the Chinese inn and Chinese food. The road we travelled was dotted with boom towns, reminiscent of America's "old west," since the road was becoming an increasingly important route with the severing of the Indo-China-Yunnan railroad and other arteries to the interior. Each of these towns boasted a number of inns for drivers, the aristocrats of the road, their crews and passengers. A Chinese inn is like a huge, unpainted barn, partitioned, usually very flimsily, into rooms with the area of a good-sized closet. A board bed covered with a bug-ridden straw mat, a dirty mosquito net, a wash basin and stand and a vegetable oil lamp clutter the room. To get to sleep one forgets about the dirt and bugs, closes his eyes and dreams of marble palaces and mirrored walls.

Ordering and eating Chinese food also is an experience and an adventure. The nature and cooking of Chinese food changes from locality to locality and province to province, just as the Chinese language, which is everywhere spoken differently. The regular practice, once seated around a rocky, greasy table, ordinarily on an earthen floor, is to ask the place's specialties. Rice—**fan**—is taken almost for granted in southern China, as well as is tea—**ch'a.** Other dishes may consist of eggs, noodles, chicken, green vegetables, delicious soups. There is no dessert. Before eating, the patron orders a bowl of boiling water and places every dish and his chopsticks in it for sterilization. The food is then placed in dishes in the center of the table and everyone eats directly from these dishes. Chinese wine, if the diners or host are pecuniarily so inclined, may enliven the occasion.

Prices Comparatively Low

Both meals and inn prices seem ridiculously low when compared to United States dollar prices, but actually they are many times higher than before the wartime inflation set in. Rooms were from $2 to $5 per night—10 to 25 cents gold (the prevailing term for U. S. currency)—while meals averaged about the same.

The main expense in travelling through China is for baggage. The cost of any fair-sized load surpasses transportation costs for the owner. The 400-odd kilometer run between Meihsien and Shaokwan cost us about $6 gold each for transportation, but about $7 or $8 each for excess baggage charges on about 100 pounds over the 20 or 30 pounds allotted free. This ratio of charges existed throughout the trip, except on the train, where both passenger and baggage prices are exceedingly low.

Outside Meihsien we began to meet the military police, who at frequent intervals checked the truck crews, loads and passengers at many points along the way. While almost uniformly courteous and helpful throughout our weeks of travel, they were sticklers for the necessary papers and at one point on the four-day run to Shaokwan held up our truck for half a day until our driver obtained a needed permit.

Crops Appear Good

Our trip between Kwangtung's two principal northern cities took us through hilly and mountainous terrain. The roads were all single-tracked and surfaced with crushed stone. The rice and vegetable crops appeared to be flourishing there, in contrast to Kweichow and Szechwan which have been badly hit by drought.

Industrious farmers had terraced, irrigated and cultivated many semi-vertical slopes, as had their ancestors for generations before them. Human muscle remains China's most ubiquitous machine. Animal life is scarce. Water buffalo are used for labor, milk and meat.

Evidence of warfare abounded—of the Japanese, who earlier in the war had swept to within 80 kilometers of Shaokwan, destroying many towns in their wake; of the bandits, who are said to lurk even now in the hills and who for many years harassed the peasants; of the Communists, who plodded through Kwangtung from Kiangsi on the famous "long march" to the northwest. We passed scores of battered forts, as well as many fine stone bridges destroyed by retreating Chinese soldiers in their "scorched earth" policy.

A Bomber Target

Shaokwan, capital of Kwangtung, is a target of Japanese bombers and as we approached the city, built on a river island, we saw the kind of precautions Free China is taking against air raids. We entered the city, in fact, on the tail of an alarm. Hundreds of persons were streaming back into the city from refuge in the surrounding countryside. Government buildings and many homes and businesses have been moved outside the city. Hundreds of temporary frame, mud and straw buildings dot areas which previously had been fields and waste lands. Shaokwan was taking the war in its stride.

The spirit in Shaokwan, among the people to whom we talked, reechoed the words of a tiny tea boy who spoke to us when we stopped for a time in a village not far from Shaokwan. "Sure the Japanese have bombed us," the lad declared, "but we're ready for them and we'll whip them!"

Work in an Industrial Cooperative

Photo by Thomas Kwang

The young women here are turning out cotton piece-goods in a cooperative workshop in the interior. Cooperatives are dotted all over Free China.

Australian Troops Sent For Training in Burma

Picked men from British and Australian troops in Malaya arrived in Burma on Aug. 3 to undergo intensive training in "bush warfare," according to a *Reuter* report from Rangoon. The Australians were the first armed unit from a British dominion to arrive in Burma.

On August 1, the Air Ministry in London announced that heavy air reinforcements, including American-made fighter planes, had reached newly-completed airfields throughout Burma and that the Burma Air Force has been strengthened "for both offensive and defensive actions," *Domei* reported.

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U.S. Having Difficulty Enforcing Black List in South America

Argentina intends to withhold support from the United States blacklist of South American firms trading with the Axis powers, diplomatic officials revealed on August 1 according to a **Domei** dispatch from Buenos Aires.

Diplomatic sources are said to have pointed out that it is legally impossible for Argentina supply houses to refuse to sell to anyone on the grounds that the buyer is blacklisted. This law prevents effectiveness of the blacklist in the country that contains the largest number of blacklisted firms. Refusal to accede to the American ban is not surprising, however, since Argentina stands to lose a profitable trade by so doing and has not yet recognized the earlier British blacklist.

Names Said Removed

Recently the U.S. Government removed the names of 48 Argentina firms from the original list, it was reported by **Transocean** on August 2.

Chile is also refusing to cooperate with the American Government in the blacklist, another **Tranoscean** report indicates. A protest against the list is said to have been published by the Executive Council of the Chilean Board of Trade on July 25. The black list was objected to on the ground that it is a threat to the sovereignty of Chile and a serious blow to the commerce and industry of the country.

Mexico, however, is aiding the United States in rooting out subversive German business men. Authorities in Mexico City on July 25 started investigation of Germans charged with subversive activities. A Nazi request that the American black list be protested was met with a refusal. This action on the part of the German authorities was characterized as "barefaced impudence" by Under-Secretary of State Sumner Welles, who indicated on August 1 that Latin America is cooperating wholeheartedly with the drive to eliminate undesirable Nazi firms.

It was reported by **Domei**, who gave the **Washington Star** as its source. that the Administration has prepared a supplementary black list of 400 firms and individuals doing business in Central and South America. This list raises to nearly 5,400 the number of firms placed on the American list. More than 2,400 of these firms are in Latin America.

Promulgation of the new list, which consists largely of Japanese firms or South American agents of Japanese companies which have purchased war materials for Germany, depends on whether the Administration decides to tighten economic pressure on Japan.

Spies Rounded Up

The names of 31 suspected spies rounded up in many key industries in the United States were recently published by the Federal Bureau of Investigation. The suspects have been working at jobs varying from seamen, tool makers and a notary public to an artist's model and a soda jerker. Most of the arrested persons are German-born naturalized American citizens.

Persons named as suspected spies include the following: Paul Bante, Max Blank, Rudolf Ebeling, Richard Eichenlaub, Josef Klein, Axel Wheeler-Hill, Felix Jahnke, Paul Al Schloz, Evelyn Clayton Lewis, Henrich Stade, Lilly Barbara Stein , Leo Waalen, Else Weusenfeld, Heinrich Carl Eilers, Hartwig Richard Kleiss, Herman Lang, Everett Meinster Roeder, Alfred E. Brokhoff, Oscar R. Stabler, George Gottlob Schuh, Edmund Carl Heine, Erich Strunck, Paul Fehse, Rene Mezenen, Erwin Wilhelm Seigler, Franz Stigler, Bertram Wolfgang Zenzingler, Adolf Walischewski and Karol Dold.

Many of the suspects have been convicted of espionage and have been given stiff prison sentences.

From Valparaiso, Chile, it is reported that Ernst Wendler, German Minister to Bolivia, who was expelled from that country for subversive activities, is expected to go to Japan instead of returning to Germany.

In Washington it was announced that a list of the names of the 45 Axis consular employees who failed to leave the United States on the U.S.S. West Point has been given to Under-Secretary of State Sumner Welles. What will be done with these Germans is not known.

Japan to Pay for Tutuila Damage

Japan has promised a full investigation of the bombing of the U.S.S. Tutuila at Chungking on July 29 and full indemnity for damage sustained by the American warship, Mr. Sumner Welles, U.S. Under-Secretary of State, announced in Washington on July 31. Earlier it had been reported that Japan had made informal apologies and Mr. Welles had indicated that these did not satisfy the State Department. But as a result of later Japanese promises, Mr. Welles said the incident was regarded as closed.

Informal apologies were tendered to Ambassador Joseph C. Crew in Tokyo before the American envoy had had time to make formal representations, thus evidencing Japanese anxiety to avert extreme American displeasure.

Regrets were also expressed to Rear-Admiral William Glassford, commander of the Yangtsze Patrol, by Admiral Shigetaro Shimada, commander-in-chief of the Japanese China Seas Fleet. The local Japanese naval spokesman denied that the bombing of the Tutuila was deliberate. It was due, he said, to the fact that the Japanese bombers had been operating from a high altitude which made accurate marksmanship difficult.

The U.S.S. Tutuila was damaged when a bomb fell astern of the vessel. Her motor-dory was wrecked and several stern plates of the vessel itself were forced inward by the concussion of the exploding bomb. No one was injured. During the same air raid a bomb fell in the compound of the Standard-Vacuum oil installation but caused only slight damage.

N.E.I. to Grant Japan Licenses for Shipments

The government in Batavia has agreed to grant Japan export licenses covering shipments of such items as oil, rubber and tin for which arrangements regarding payment were made prior to the action of Batavia in freezing all Japanese assets, *Domei* reported on August 4.

Neither Japan nor the Nethelands Indies have any intention of halting their mutual trade, Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board, told press correspondents in Tokyo on August 5. He believed, however, that the volume of trade between the two countries would shrink from its previous level.

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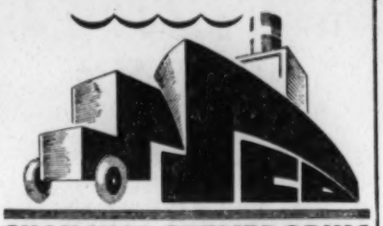

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Puppets, Japanese Hold Conference Of Press in Canton; Wang Attends

Wang Ching-wei, president of the Nanking regime, arrived in Canton by airplane on Aug. 2 to attend the Nanking-sponsored East Asia Press Association Conference, which opened on Aug. 4. He was accompanied by Chow Lung-hsiang, vice-minister of foreign affairs, Chen Kuo-chi secretary of the Executive Yuan, and Major-General S. Kagesa, supreme military adviser to Nanking, according to the pro-Nanking **Central Press.**

The conference, it was reported, comprised journalists and delegates from Japan, Manchukuo, and Nanking-controlled China.

Greeted at Airdrome

Greeting the Nanking leader at the Canton airdrome were Chen Yao-tsu, chairman of the Kwangtung Provincial Government, Mme. Wang Ching-wei, Lin Pai-sheng, Nanking publicity minister, the local Japanese commander and consul-general, the German and Italian consuls-general, and numerous local puppet officials.

Speaking at a reception given in his honor by delegates to the conference, Mr. Wang urged increased cooperative efforts for the realization of the ideals in the building of an "Asia for the Orientals."

He added that the "significance of the East Asia prosperity sphere lies in loving our own countries, in loving our neighbors, and further, in loving the whole of East Asia."

Recalling that Canton was the birthplace of the late Dr. Sun Yat-sen, Mr. Wang declared that the true meaning of Dr. Sun's revolutionary movement was "Asiatic leadership." The founder of the Chinese Republic, he pointed out, recognized the "aggressive policy of Europe toward China, and believed in Sino-Japanese unity to save Asia from this danger."

Opened By Lin

The conference, according to **Domei** reports, was opened by Lin Pai-sheng, Nanking publicity minister. Chen Yao-tsu, chairman of the Kwangtung Provincial Government, followed with a speech of welcome to the delegates. Congratulatory messages from Japan's Premier Konoye, Foreign Minister Toyoda, and Lieut.-General Oikawa, acting secretary-general of the Asia Development Board, were read to the audience. Japanese South China military and naval representatives as well as German and Italian consuls were present.

The preliminaries disposed of, the Conference heard reports by delegates, discussed various problems, and decided to formally inaugurate an East Asia Journalists' Association. In between sessions, the delegates visited a soldiers' hospital and reviewed a parade of boy scouts.

In its second day session on Aug. 5, **Domei** reported, the conference issued a statement declaring that the newspapers of Japan, Manchukuo and China would join efforts to advance the idea of the New Order in East Asia and thus "contribute to world peace."

The statement said that a press campaign would be undertaken to cover political, economic, military, and cultural cooperation. The basic principles for this cooperation would be:

North or South or Both?

Cartoon in Tien Shia magazine, Chungking, depicts the predicament of the Japanese warlord, who is standing in China (represented by the two large characters) with five daggers jabbing him. The daggers are labeled, First, Second, Third, Fourth and "Fifth" years of the China War.

1. Respect for the political independence of the three countries.
2. To create bonds of equal and reciprocal economic cooperation.
3. Militatry cooperation between the three nations under a plan for joint defense against common dangers.
4. Fusion of cultures on the standards of Oriental culture.

The gathering appointed a committee of five representatives from each of the three countries to investigate the possibilities of an East Asia newspaper alliance to give stability to their joint undertakings.

U.S. Women Rush to Buy Silk Stockings

All silk stocks in the United States were "frozen" by the Office of Production Management on Aug. 2 upon the recommendation of the War and Navy departments and caused women throughout the country to stage a "run" on silk stockings still on sale in the stores.

The measure followed closely upon the freezing of Japanese assets in the United States (which is expected to cut off all imports of Japanese silk) and is designed to conserve present silk stocks for defense purposes.

It is estimated that the annual requirement of the military services for the next two years will absorb the stocks of silk at present in the country. Silk is used by the army and navy for the manufacture of parachutes and powder sacks.

175,000 Made Jobless

Factories in the United States employing 175,000 workers will immediately be affected by the freezing order. Mills may continue operation only if they have unlisted inventories or are permitted to process silk by the priorities division. No silk will be given factories for the manufacture of hosiery.

The United States Government will endeavor to find jobs for workmen thrown out of employment by the freezing, however, Mr. Paul V. McNutt, Federal Security Administrator, has declared.

Most visible effect of the new order is the record purchases of silk stockings being made by American women. Many stores report a greater volume of sales because of the run than they had during the Christmas buying season.

Meanwhile, what will probably be the last cargoes of Japanese silk to be unloaded in the United States until the war is over, were removed from the holds of two Japanese liners, one of them the Tatuta Maru, this week. Unless America and Japan can make special arrangements to continue the mutually beneficial silk traffic, direct silk imports to the United States will be reduced to an unimportant dribble.

Huge U.S. Defense Expenditures Disclosed

Monthly expenditures of the United States for military purposes reached a new high of $1,000,000,000 during July, American officials revealed on August 2. This monthly outlay for war purposes, which is expected to be doubled within the year, exceeds by nearly $100,000,000 the sum spent during May, the previous highest month. Included in the July total is approximately $33.000,000 spent under the Lend and Lease Act.

At the same time it was revealed that the Senate Naval Affairs Committee approved the bill already passed by the House of Representatives authorizing US$244,929,000 for shore improvements, including funds for the base at Cavite in the Philippines.

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U.S. Pledges Fullest Material Aid To U.S.S.R. in Fight Against Nazis

In an exchange of notes at Washington on Aug. 2, the United States pledged "all-out" material aid to the U.S.S.R. in its struggle against the "predatory attack" on Germany. The pledge includes a promise to give the U.S.S.R. priority in the delivery of essential war materials and the "friendliest consideration" in placing Soviet orders. Shipping facilities for the delivery of such aid, the removal of export controls and the issuance of general licenses to permit unlimited shipments to the U.S.S.R. were also provided for.

American aid to the U.S.S.R. will not be extended under the provisions of the Lease and Lend Act, it was stated. The U.S.S.R. will pay cash or earmark gold shipments for all purchases.

America's Motive

In announcing Washington's decisions on Aug. 4 Mr. Sumner Welles, Under-Secretary of State, said that it was the purpose of the United States to "give all economic assistance practicable for the purpose of strengthening the U.S.S.R. in its struggle against armed aggression. The decision, he added, was prompted by the conviction that "resistance by the U.S.S.R. to the predatory attack of the aggressor, who is threatening the security and independence not only of the Soviet Union but also of all other nations, is in the interest of the national defense of the United States."

Simultaneously with the decision to give "all out" aid to the Russians, Washington announced the extension of the Soviet-American trade agreement for another period of one year.

Priority for the shipment of 10,000 steel barrels of gasoline to the U.S.S.R. has already been asked for by Secretary of the Interior Harold L. Ickes. In asking for priority, he stated that the oil would be shipped in Soviet vessels, but revealed that American tankers may later be assigned to carry oil across the Pacific to Vladivostok.

Hopkins in Moscow

Announcement of material aid for the Soviet followed closely upon a recent trip made to Moscow by Mr. Harry Hopkins, President Roosevelt's personal representative. Mr. Hopkins, who flew to Moscow at the end of last month, conferred with Stalin and Molotov concerning Soviet needs for American supplies. In his first conversation with Stalin, Mr. Hopkins told him that America considers those who fight against Hitler to be the right parties in the present conflict and intends to render assistance to those parties.

Mr. Hopkins, who was accompanied to Moscow by a United States army general and a lieutenant, returned to London by air on August 3.

Meanwhile, it is reported by **Havas** that the U.S.S.R. is bitter over England's refusal to launch an offensive in the West in order to relieve the German pressure on the Soviet armies. British authorities, according to a New York broadcast, have refused to create a new Western front on the grounds that "short nights make it impossible for large-scale air raids to be carried out." Moscow is said to have pointed to the loss of two whole armies at Tannenberg in the last war as reason why the British should aid them now, regardless of the difficulties.

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Shooting Leads to Closure of Nantao

Armed terrorism flared in the Nantao area on July 31 when an unidentified Chinese was shot dead and a Japanese gendarme seriously wounded by gunmen who made their escape.

Immediately after the shooting the gates leading from Nantao to the French Concession were closed and rumors that they would be kept closed by the French Concession authorities until after the Aug. 13 and Sept. 18 anniversaries caused great excitement among Nantao inhabitants.

The gates were reopened briefly on the night of Aug. 3 and large crowds milled about them in efforts to pass between the two areas. Up to the middle of this week the gates were still closed and there was no indication as to when normal intercourse between the two areas would be restored.

Many Chinese used sampans to enter or leave Nantao via the Whangpoo River. No ban was imposed on such movements, but those travelling this way were subjected to rigorous searches.

A daring daylight kidnapping was staged in Chapei district on Aug. 4 when Hu Chu-kwang, wealthy Chinese compradore of the Sung Sing Cotton Mill was abducted by three armed men near the factory, on Kwangfoo Road in Chapei, this being the third occasion in the past month that a local cotton company or one of its members has figured in such incidents.

The first occasion, it may be recalled, was when a notice was inserted in a morning paper asserting that the Nanking regime was about to take over the company's mills, although this was subsequently denied by the Nanking authorities. The person who inserted the notice, however, has never been identified.

Last week a Chinese official of the Sung Sing company was seized by the Japanese authorities from his home in the French Concession. He was taken together with his son for questioning, and both are believed to be still under detention at the Japanese gendarmerie headquarters in the Bridge House, Hongkew.

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Nazis Still Stalled on Eastern Front; Launch Heavy Attack on Ukraine

Nazi forces, stalled for the fourth consecutive week on the central Smolensk front, on August 2 launched a heavy drive toward the Ukrainian capital of Kiev. Success of the new push, which is being made from the direction of Korosten and Belaya Tserkov, north and south of Kiev, cannot yet be determined.

Soviet communiques dated August 5 claim that a German regiment was routed as the Red troops continued fiercely to fight the Nazi spearheads in the Smolensk, Korosten and Belaya Tserkov areas. The Soviets also claimed to have routed a German tank column in the northwest, killing 1,000 of the invaders and destroying 100 tanks and armored cars.

As Seen in Japan

Cartoon in Japanese army organ, Sin Shun Pao (Shanghai) shows Stalin fleeing from Hitler's bombs over Moscow. Reports from Moscow indicate that few Nazi planes have been able to penetrate the defenses of the Soviet capital.

Red Planes in Action

The Red Air force was reported to have bombed enemy munition dumps, troop concentrations and Nazi positions along the entire front during the week. Fighter planes and anti-aircraft guns were moreover said to have rendered ineffectual all German air attacks on both Moscow and Leningrad. This tends to confirm Soviet claims of superiority in the air, at least in many sectors.

German High Command announcements continued to speak of successful mopping-up of Soviet pockets of resistance in the Smolensk region. Trapped Red soldiers were reported to have failed in all attempts to regain contact with the main Soviet armies.

At the same time, the High Command announced that the Germans delivered a surprise blow against Soviet forces about 60 miles southeast of Smolensk, catching the enemy unawares and trapping a new group of Soviet 'soldiers. The Nazi command also asserted that the Estonian town of Tapa had been taken by their forces, while the Finns reported killing 1,000 Soviet troops on August 1 somewhere on the eastern front.

Greater Test Coming

The Red Army, under Marshal Semyon Timoshenko, who now commands the entire western front from Estonia south, will soon receive its greatest test, *United Press* reports indicate. The Germans, refreshed by the stalemate which has also aided their enemy, are said to be preparing a third *blitz* more severe than any yet experienced. The new southern drive is thought to be the beginning of the new general push.

London sources have expressed the opinion that the Soviets are preparing a northern attack on the Karelian Isthmus. General Grigori Stern, former commander of the Soviet Far Eastern Army is reported to have massed an estimated 1,000,000 men and immense quantities of supplies behind the old Mannerheim Line. This concentration indicates that the Soviets intend to hold Leningrad and supply routes to the ice-free northern port of Murmansk.

Germany's miscalculation of Russian resistance was recently commented upon in an article in the Communist newspaper, *Pravda*. According to an August 4 *Tass* report, the article declared that the Nazis staked the entire war on a fierce *blitz* intended to crush the U.S.S.R. and force Britain and America to realize the necessity for an immediate peace. The article points out, however, that while Soviet soldiers were not fully mobilized and were outnumbered by a much larger German force than fought in France, the Red troops were able to beat an orderly retreat until they could stall the German army with added reserves and the scorched earth policy.

The official Soviet news agency, *Tass* reports that the Soviet scorched earth policy is so effective that Nazi troops are eating cats and dogs. The story was said to have been told by Private Aksel Weidemann, a Nazi soldier captured somewhere on the front. He told *Tass* reporters that "for over one week soldiers of our unit which got into an encirclement could find neither food nor water. Supply from the rear was out of the question, since Soviet bombers and fighters were always over us. As to villages, for the past two weeks we could not find a crumb of bread there. Even wells were filled with stones and earth. We caught and ate up all the cats and dogs. Some soldiers were catching rats and field mice and greedily ate them. We suffered particular agony from lack of water. We had no opportunity to dig new wells as we had no peace day or night."

Rumors of possible British action in the Arctic came from London via *Reuter*. Large British naval forces are said to be concentrated off Petsamo, while the Germans have recently placed Norway under martial law.

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Roosevelt Places Ban on Oil Exports to Japan; Chinese Welcome Long Overdue Embargo

A measure long urged by China and advocated by supporters of China's struggle against Japanese aggression was taken by President Roosevelt on Aug. 1 when he applied a virtual embargo on the export of all types of motor fuel and lubricating oils to Japan. The new move in the application of economic sanctions against Japan coincided with an announcement in Tokyo that Thailand had recognized Japan's puppet state of Manchukuo and advanced a credit of 10,000,000 *bahts* to Japan—two indications of the increasing extent to which Thailand is coming under Japanese influence.

Japan was not mentioned by name in the oil embargo, the Executive Order merely shutting off shipments to "destinations other than in the Western Hemisphere, the British Empire and unoccupied territories of other countries engaged in resisting aggression." But there exists no doubt in any quarter that the embargo is directed, in the main, against Japan.

As matters now stand, Japan will be able to secure from the United States petroleum products other than motor fuels and lubricants (with the exception of high octane gasoline for aviation, the export of which was placed under license some time ago), subject to the usual export control licenses. But these supplies, too, may be shut off at any time by witholding licenses.

Text of Executive Order

The text of President Roosevelt's announcement was as follows: "It is announced that the President has directed the Administrator of Export Control to take the initiative for further regulation in respect to the export of petroleum products in the interest of national defence. The action will have two immediate effects.

"It will prohibit the exportation of motor fuels and oils suitable for use in aircraft and of certain raw stocks from which such

Whose Grab?

Japanese army organ, Sin Shun Pao, depicts Britain and America in the act of "grabbing" French Indo-China and Thailand.

products are derived to a destination other than the Western Hemisphere, the British Empire and unoccupied territories of other countries engaged in resisting aggression.

"It also will limit the exportation of other petroleum products, except to destinations referred to above, to the usual or pre-war quantities and provide for pro-rata issuance of licences on that basis."

Tankers Await Cargoes

When the ban was announced, a number of Japanese tankers were reported in United States waters, expecting to put into port to load oil supplies, The Nisso Maru had already docked at Los Angeles in expectation of loading 80,000 barrels of gasoline and crude oil. It is believed the tankers will now proceed to Mexico to obtain cargoes.

While Japanese officialdom has maintained silence with regard to the oil ban, in China the new move against Japan was enthusiastically welcomed. Dr. Quo Tai-chi, China's foreign minister, described the American "freezing" action, and moves expected to follow (including the ban on oil exports which was announced after he had met the press) as an "economic noose around Japan's neck," all the tighter because of participation by Britain and the Netherlands East Indies.

Asked whether oil and other sanctions would force Japan to make an immediate and desperate attack to the south, Dr. Quo said: "That is not quite the point. My belief is that if Japan is strong enough she will strike anyway. The more supplies you allow her, for whatever reason, the sooner she will feel able and will strike." It would certainly be to Japan's advantage, he added, to have more time to accumulate oil and other reserves.

New American Policy

The Chungking *Ta Kung Pao*, which is published in a cave to insure safety from Japanese bombers which hitherto have been fueled with American gasoline, wrote: "The Chinese people should realize that the United States Government is adopting an entirely new policy in the Far East. Something positive is taking the place of the former passivity. Roosevelt's new ban on oil may help save the remaining American properties in Free China, including the U.S.S. Tutuila (American gunboat at Chungking) from destruction by bombing." The Tutuila was damaged in a Japanese bombing attack last week.

Dr. Hu Shih, Chinese ambassador in Washington, hailed the oil ban, *United Press* reported. "I am sure," he said, "that this will greatly strengthen Chinese morale and be of great benefit to the whole cause of the democracies fighting for freedom. It is really a very effective weapon."

Col. Frank Knox, U.S. Secretary of the Navy, said in a press statement that Japan had already probably accumulated supplies of petroleum sufficient for one or two years, but said this was merely a guess as he had no positive information.

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Japan's Pressure on Thailand Growing

Official recognition of Japan's puppet state of Manchukuo by the government of Thailand was announced by the Foreign Office in Tokyo on Aug. 1. The same day, Tokyo announced that Thailand had granted Japan a credit of 10,000,000 *bahts* (equivalent to about 16,000,000 yen) to facilitate trade between the two countries.

These two developments, which in different circumstances would possess no special significance, coincided with reports in London and Hongkong that Japan is making a bid for the use of Thailand's naval and air bases, offering Thailand in exchange some additional territory belonging to French Indo-China. Japan is also reported to be demanding a virtual monopoly

of Thailand's external trade, in particular Thailand's exports of rice, rubber and tin.

The Thailand consulate-general in Singapore denied on Aug. 1 that any agreement had been reached with Japan (or Britain) regarding use of Thai naval and air bases. Thailand would not grant bases to any country, it was stated, according to *United Press*.

U.S., BRITAIN WARN JAPAN ON THAILAND

While Japanese troops were rushing through southern French Indo-China and taking up positions on the Thailand border, warnings to Japan not to undertake any military action against that country were issued in Washington and London by Secretary of State Cordell Hull and British Foreign Secretary Anthony Eden on Aug. 6. Speaking in the House of Commons, Mr. Eden noted that the Japanese press had lately been using the same kind of language regarding Thailand as it had employed prior to Japanese demands for bases in French Indo-China. The British ambassador in Tokyo had warned Japan, he stated, that if a step of this kind were taken it must inevitably give rise to a most serious situation between Great Britain and Japan.

Meanwhile, well-informed circles in Tokyo, *United Press* reported, attached great importance to Thailand's "gesture" in recognizing Manchukuo, seeing in it Thailand's decision to forsake the Anglo-American camp and join in Japan's program for a "Greater East Asia Co-Prosperity Sphere." And the Thai loan to Japan, according to a spokesman of the Finance Ministry in Tokyo, not only will enable Japan smoothly to continue importing rice from Thailand, but "demonstrates the existing friendly relations between Japan and Thailand."

Informed quarters in Bangkok, *Domei* reported on Aug. 1, believe that the credit Thailand has granted Japan will be followed sooner or later by Thailand's abandonment of the policy of "economic dependence upon Britain" in favor of "voluntary cooperation" with Japan.

Puppets Celebrate Axis Recognition

Processions and other festivities in celebration of the recognition accorded the Nanking puppet government one month previously took place on Aug. 1 in a number of Japanese-occupied cities, including Shanghai, Nanking, Hankow and Canton. In Shanghai, terrorists exploded bombs in the midst of a crowd of thousands assembling near Jessfield Park for a lantern parade. One of the bomb-throwers was killled by his infernal machine when it exploded in his hand. A Chinese woman was also killed and 10 persons injured.

The parade nevertheless proceeded according to schedule as an estimated 20,000 persons marched with lanterns and Axis banners through the Western District, keeping up the show from dusk until midnight.

The western district resounded with music played by the brass band of the Shanghai Post Office, and with the hilarious cheering of the marchers. Among the fancy lanterns in the procession were picturesque representations of fish, shrimps, cattle and dragons. Pantomines were also prominently featured.

An impressive demonstration attended by 700,000 Chinese was reported by *Domei* to have marked the occasion in Nanking. There was also a gigantic flag procession, participated in by 100,000 people. The Nanking foreign minister, Hsu Liang, addressed the huge gathering. The crowd paraded past the residence of Wang Ching-wei, president of the Nanking regime, giving three lusty cheers, while 200 members of the Japanese Residents' Corporation rode past in automobiles.

Everywhere in the city of Nanking were hoisted Chinese national flags. The prominent sectors of the city were decorated with pine-branch pailous bearing the words "Eight countries have recognized our national government"

Celebrations held in Hankow were marked by speeches given by the local consuls of the Axis Powers. Dr. Brackly, German consul, voiced the hope that recognition of the Chinese government at Nanking would help in restoring peace to China.

Roosevelt Warns of Inflation Danger

Warning that the threat of inflation was seriously jeopardizing the defense program of the United States, President Roosevelt asked Congress on July 30 for the immediate enactment of legislation to give the Administration control over prices and rents. He also asked for the establishment of "wage ceilings" by agreement between capital and labor.

The President disclosed that the United States was now spending more than U.S.$30,000,000 a day on defense and that this figure must increase. Every dollar spent, he said, presses against the already limited supply of materials...."The consequences of inflation are well-known. We have seen them before....Producers, unable to determine what costs will be, hesitate to enter defense contracts or otherwise commit themselves.... Speculators anticipating successive price advances withold commodities from essential military production. Costs to the Government increase and with them the public debt. The burden of defense is thrown haphazardly and inequitably on those with fixed income or whose bargaining powers are too weak to secure increases in income commensurate with the rising cost of living....Over all hovers the specter of future deflation and depression."

By Executive Order on July 31, the President established an Economic Defense Board whose function it will be to coordinate the policies and actions of the various departments and agencies engaged in defense activities. It will lay down broad policies, leaving actual administration to existing agencies.

Japanese Hold Socony Tanker in Shanghai

The small Socony tanker, s.s. Meiyo, was detained by Japanese naval authorities on August 2 while on its way back to Shanghai from a Yangtsze River port.

The Meiyo, according to information given by shipping circles, cleared Shanghai for Shih-I-Wei-Kong but was unable to stop there because Chinese guerilla forces were attacking the Japanese in that area. The ship then went on to Shih Kong, 10 miles farther up stream on the opposite bank of the river, and docked. On leaving this port it was seized by the Jananese, who brought it back to Shanghai.

Commander Hazama, Japanese naval spokesman in Shanghai, told the press on August 5 that the vessel would probably be released very soon.

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Japan Completes Occupation of French Indo-China; U.S. Renews Protest Against Vichy Surrender

Completion of the landing of Japanese troops in French Indo-China in terms of the so-called "joint defense" agreement between Tokyo and Vichy, was announced on Aug. 4 by the headquarters of Japanese forces in Saigon, **Domei** reported on that date. The announcement said that all the forces had been stationed and expressed gratification that the operations had been carried out in "the most peaceful atmosphere" and with the friendliest cooperation of the French authorities.

Landings of Japanese troops in terms of the agreement began on July 28 and the total operation was thus completed in a week. On July 31, units of the Japanese Fleet sailed into Camranh Bay and took over the naval base there. Saigon, another base, was occupied just previously.

Commanding Japanese troops in southern French Indo-China is Lieut.-Gen. Shojiro Iida, who arrived in Saigon on July 30 to establish his headquarters.

On Aug. 1 and 2 the French Indo-China press published violent denunciations of Britain. These were called forth by a statement in London by Mr. Anthony Eden, in which the British Foreign Secretary attacked Vichy's cession of Indo-China bases to Japan. Saigon's **La Depeche**, according to a **Domei** report, reprinted a strongly anti-British editorial which had appeared in the Hanoi **La Volonte Indo-Chinoise** on July 28. The latter paper wrote: "Does that minority of Frenchmen who advocate cooperation with Britain, desire French Indo-China to suffer the fate of Yugoslavia and Greece?" It pointed out that countries promised British aid fell all too quickly: Norway in 20 days, Holland in five, Poland in 22, Belgium in 10, France in 40, Yugoslavia in 15 and Greece in 25.

A fresh statement denouncing the Vichy-Tokyo agreement was issued in **Washington on Aug. 2 by Mr. Sumner Welles U. S. Under-Secretary of State.** France's failure to resist Japanese aggression in Indo-China, the statement declared, was a menace to American security.

"The French Government at Vichy," said the statement, "has given repeated assurances to the **United States Government** that it would not cooperate with Axis powers beyond the obligations imposed upon it by the armistice terms and that it would defend the territory under its control against any aggressive actions on the part of third powers.

"This Government has now received information regarding the terms of the agreement between the French and Japanese Governments, covering the so-called 'comon defence' of French Indo-China. In effect, this agreement virtually turns over to Japan an important part of the French Empire."

Mr. Welles' statement continued: "An effort has been made to justify this agreement on the grounds of Japanese 'assistance,' needed because of some menace to the territorial integrity of Indo-China by other powers. The Government of the United States is unable to accept this explanation.

"As I stated on June 24, there is no question of any threat to Indo-China, unless it lies in the expansionist aims of the Japanese Government. The turning over of bases for military operations and of territorial rights under the pretext of 'common defence' to a power whose territorial aspirations are apparent here, presents a situation which has a direct bearing upon the vital problem of American security."

Mr. Welles continued: "France now decided to permit foreign troops to enter an integral part of its empire, to occupy bases therein and to prepare operations within French territory which may be directed against other peoples friendly to the people of France."

Recalling that Vichy did not resist the German use of facilities in Syria, but resisted the British, Mr. Welles' statement declared that the United States Government's relations with Vichy and the local French authorities in French territories "will be governed by the manifest effectiveness with which those authorities endeavor to protect these territories from domination and control by those powers which are seeking to extend their rule by force and conquest, or by threat thereof."

Entry of **Japanese** forces into southern Indo-China is a "tremendous blow" to Chungking because it deprives overseas Chinese of their last possibility of sending remittances to the Chiang Kai-shek regime, it was stated in Tokyo on Aug. 2, according to **Domei.** The agency pointed out that in the four years from 1937 to 1940 donations from overseas Chinese totalled C.N.$1,563,000,000, representing approximately 50 per cent of Chungking's total revenues from international accounts. Moreover, overseas Chinese subscriptions to Chinese war bonds amounted in the same period to C.N.$682,090,000.

The same agency, in a message from Saigon on Aug. 1, said that French Indo-China would enter into closer ties with the puppet government at Nanking. Already "strong efforts are being made to wipe out Chungking's anti-Japanese activities and elements, while publication of Chungking newspapers has been prohibited and a wholesale round-up of Chungking Chinese will probably occur soon."

Demands Said Made On Kwangchow-wan

Japan has presented a new demand to the French Government at Vichy for transfer to Japanese control of the Customs and police services in the French leased territory of Kwangchow-wan, according to a **Kuo Min** dispatch from Hongkong on Aug. 3.

Authorities in Hanoi, French Indo-China capital, denied that Japan had made any demands with regard to Kwangchow-wan, **Havas** reported on Aug. 6.

Kwangchow-wan is a small territory at the southern tip of China's province of Kwangtung, held by the French under what amounts to a perpetual lease. It has an area of 325 square miles, a population of about 220,000, and is administered as one of the provinces of French Indo-China.

At the Washington Conference in 1921-22, France agreed to return Kwangchow-wan to China, but the promise was never carried out.

It has been an important thoroughfare for shipments into Free China and is strategically valuable because of its closeness to Hainan Island (under Japanese occupation) and Hongkong.

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U.S. Protests North China Restrictions

Japanese restrictions applied to Americans and Britons in North China following freezing of Japanese credits by America and England have become so severe that the United States Embassy in Peiping protested to the Japanese Embassy about them on August 3. Chief Japanese-sponsored inconveniences objected to were the picketing of American property in Tsingtao, the refusal of the post office to accept or deliver parcels to Americans, and the refusal of railway stations to accept registered luggage.

Measures affecting transportation of luggage belonging to American, British and Philippine nationals in North China were revealed by the **Tenshin Nippo** in Tientsin and were reported on by **Havas.** Any request for railway transportation of goods worth $100 or more by the "black-listed" nationals must in the future be accompanied by a special permit of the Peking Political Council. These permits will be provisionally delivered through the Federal Reserve Bank, designated for the purpose by the Council. Goods will neither be accepted nor delivered by the North China Communications Company without presentation of the permits, and parcels dispatched before the enforcement of the new regulations will not be delivered unless the permits are obtatined.

Unable to Leave

Foreigners in North China are, moreover, unable to leave that area because travel permits will not be granted them. Many summer vacationists in Tsingtao, Chefoo and elsewhere are expected to be stranded there unless restrictions are raised.

Further inconveniences are expected by North China residents under the Japanese policy of making life so disagreeable that foreigners will want to leave. Heads of British and American business firms have already found it impossible to purchase supplies, including food, through normal channels, according to a **United Press** report. Sale of gasoline to foreigners has been strictly rationed, while prices of all commodities continue to increase daily.

The National City Bank of New York branch in Peking, which has been operating since 1909, closed down on July 31. The closure, however, was announced earlier and has no connection with the recent freezing orders, it was stated.

Difficulties in Japan

Restrictions in Japan have likewise been intensified. American correspondents of the **United Press, New York Times, New York Herald-Tribune, Associated Press, International News** and National Broadcasting System on August 1 requestetd the Japanese Government to revise its censorship regulations. The correspondents have asked that they be informed when their cables are held up and what is deleted from them. They also requested permission to import American food and clothing upon payment of normal duties, the issuance of gasoline ration cards similar to those issued to various foreign embassies and permission to own and operate short-wave radio sets.

The correspondents, according to **United Press,** based their requests on the grounds that Japanese correspondents in the United States are accorded similar privileges and working conditions.

Private individuals vacationing in Japan are also reporting many difficulties. One foreigner of Swiss nationality, staying at a Japanese seaside resort, writes that he is unable to leave his hotel, even to go down town for a haircut. When desiring to do so, the hotel management informed him that the barber would be sent to him.

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Who's Who in China

Gunson Hoh, physical educationist; born in Huei-An district, Kiangsu Province, 1899; graduate, Nanyang Railway and Mining College, 1919; Springfield College, Mass., U.S.A., 1923 physical

Gunson Hoh (Ho Keng-shen)
郝更生

director, Chunghua University, 1923-24; professor of physical education, Soochow University, 1924-25; professor of physical education, Tsin Hua University, and concurrently Peking High Normal University, 1925-28; Dean and professor of physical education, Northeast University, 1929-31; director of physical education, Northeast University, 1929-31; director of physical education and student discipline Shantung University, 1932-33; superintendent of education, Ministry of Education, and concurrently member of Committte of Physical Education, Ministry of Education, 1934-41; Editor, "The Athletic Quarterly," 1925-31; director, Chinese Federation of Gliders, 1941; author of "Physical Education in China." Address: Ministry of Education, Chungking.

Living Costs of the Workers Climb Again

After a slight decline in June to 757.96, the cost of living index of Chinese workers in Shanghai shot up again in July to 800.32 (July, 1937=100), an increase of 42.36 points or 5.59 per cent, according to the monthly report of the Industrial Section of the Shanghai Municipal Council.

Food prices advanced 6.24 per cent, housing 4.17 per cent, clothing 4.17 per cent, miscellaneous 3.30 per cent. The price of S.M.C. rice, sold under control, rose from $110 to $116 per *shih* as from July 8, due to increased cost at the source and higher freight rates.

For many weeks there has been not a single day when several hundred workers were not out on strike in a hopeless endeavor to get higher earnings equal to the increased cost of living. This week the bus and streetcar serices of the French Concession were paralyzed by a strike as motormen, drivers and conductors sought higher wages and increased rice allowances.

PEOPLE IN THE NEWS

Major-General Chiang Ching-kuo, eldest son of General Chiang Kai-shek, who has been Special Administrative Commissioner in Kiangsi Province for

Chiang Ching-kuo

the past three years, has been appointed Director of the new Salt Transportation Inspectorate, which has been established by the National Government to embrace the provinces of Fukien, Chekiang, Hunan and Kiangsi.

•

John Goette, correspondent in Peiping for Hearst's **International News Service**, departed for the United States on furlough last week. He sailed on the Japanese liner Nitta Maru.

•

The Duke of Kent, brother of the English King, will visit President Roosevelt at Hyde Park, New York on Aug. 23. He is at present touring Canada.

•

Dr. Kao Yang has been appointed President of Kwangsi University by the Ministry of Education, in succession to Dr. Lei Pei-hung, who has been transferred to another post.

•

Sir Victor Sassoon, who returned to Shanghai recently from a trip to the United States, departed for Bombay on Aug. 6 on what was described as a "special business trip."

•

Ex-King Carol of Rumania, accompanied by his paramour, the titian-haired Madame Magda Lupescu, arrived in Mexico City last week and is occupying a luxurious suite in the Hotel de la Reforma. The couple arrived with a valet, a maid and four dogs.

•

Lieutenant Hans Georg Keitel, youngest son of Field Marshal Wilhelm Keitel, chief of the German Supreme Command, was killed in action on the eastern front, it was announced in Berlin last week. Another prominent casualty was Lieutenant Walter Frick, son of the Reichs Minister of the Interior, Dr. Wilhelm Frick.

•

The Chungking Government has issued a mandate of commendation in honor of the late Mr. Li Chun-ying, advertising manager of the Shanghai **Ta Mei Wan Pao**, who was assassinated recently. The mandate declared that the late Mr. Li was distinguished for his loyalty and courage and integrity of character, remaining loyal to China's cause despite threats against his life.

Senor Alvaro de Maldonado, Consul-General for Spain in Shanghai, has been appointed Spanish Minister to Nanking, according to **Havas** message from Madrid on Aug. 4.

•

B. C. Lawrence of the Texas Company at Hongkong has been transferred to Shanghai. While in Hongkong, Mr. Lawrence served as Chairman of the Hongkong Committee of the American Red Cross.

•

John W. Welton, former Chief Engineer with the Dollar Steamship Line, died in San Francisco last week at the age of 90 years. He formerly served on the Chief Capilano, which later was sold to Madrigal and Company of Manila and renamed the Don Jose.

•

Carl Mydans, correspondent for the magazine, **Life**, who has been in West China for several weeks, arrived in Chungking on Aug. 4 from Chengtu. He was accompanied by Mrs. Mydans. They plan to proceed to Moscow by plane shortly.

•

Chen Kung-po, Mayor of Shanghai Special Municipality, was host on Saturday evening, Aug. 2, to more than 700 prominent Japanese and Chinese (**Domei** report) at dinner at the old Astor House Hotel in Hongkew. The dinner was held to commemorate the founding of the Peace Preservation Corps of the Chinese Municipality. Among the Japanese guests was Vice-Admiral Denshichi Okochi, Chief-of-Staff of the Japanese Fleet in China waters.

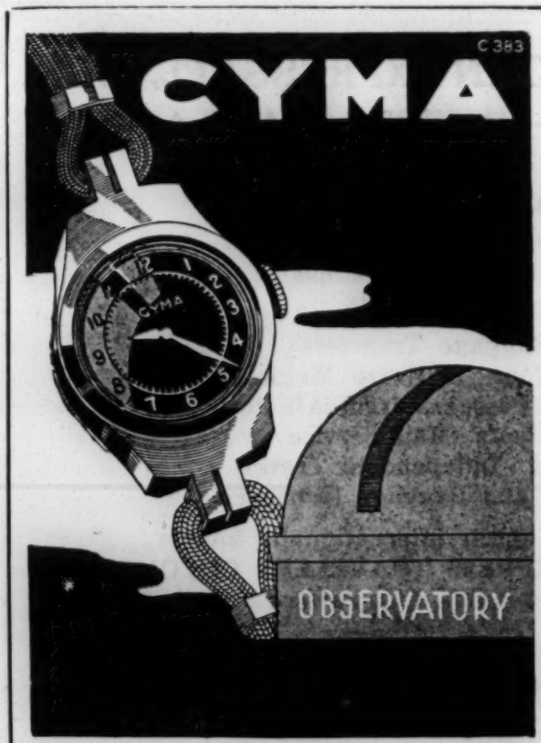
Rex Tugwell, one of President Franklin D. Roosevelt's early advisers, has been appointed Governor of Puerto Rico, replacing Guy M. Swope, Jr., who has been appointed Director of the Division of Territories and Insular Possessions in the Interior Department.

•

Hans H. P. Melchers, General Manager, and his assistant, Mr. Lange, of the German **Transocean** news service, were the first foreigners to be awarded the "Golden Peace and Reconstruction Medal" by the Wang Ching-wei government in Nanking. The medals, said to be equivalent to a decoration, were awarded in Nanking on August 1, the occasion being the first anniversary of the establishment of the Nazi news service in Nanking. The ceremony was attended by M. Fischer, German Charge d'Affaires; the German Consul-General at Nanking, Mr. Gipperich; Wen Tsung-yao, head of the Nanking Judicial Yuan, and some 200 Japanese, Germans and Nanking Chinese. Wang Ching-wei also gave Mr. Melchers an interview the same day.

•

John R. Morris, Far Eastern Manager of **United Press** in the Far East, was married on July 30 at Reno, Nevada, to Miss Margarette "Sandy" Tittman of Hillsboro, New Mexico. Miss Tittman is a niece of Judge Milton J. Helmick and Mrs. Helmick of the U. S. Court for China and has frequently visited in Shanghai. The marriage ceremony was read by Judge William McKnight, with Mrs. Helmick and Nick Bourne of Reno as attendants. The bride is the daughter of Mr. and Mrs. Edward Tittman of Hillsboro, N. M. Judge Milton J. Helmick was also present at the wedding. Miss Tittman attended the Radford School for Girls at El Paso Texas and was graduated from the Bennett School of Milbrook, N. Y.



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EVENTS IN BRIEF

Japanese school children will be forced to wear straw sandals in place of canvas footwear on the sports field, according to **Havas** report from Tokyo on July 30. The action was taken to economize on cotton, of which Yen 520,000 will be saved in Hyogo Prefecture alone, stated the report.

•

A Chinese chauffeur named Chiu Tetsai was found guilty of stealing gasoline and was executed on August 2, according to **Kuomin** report from Kunming on Aug. 4. Two other chauffeurs who were implicated in the theft were given life sentences. It was stated that Chiu had stolen large quantities of gasoline from the Southwestern Transportation Bureau, and had sold it for personal profit. The chauffeurs were tried before a tribunal organized by the Inspectorate-General for the Enforcement of Military Law, which is under the Military Affairs Commissions.

•

The Ministry of Publicity of the Japanese-protected government at Nanking, announced on August 2 that a glee club had been organized for the purpose of promoting "peace by means of music." Headed by Han Hua-shih, the Nanking Glee Club will visit cities within the Japanese-occupied zone and sing songs for the purpose of educating the masses. The Nanking press service said that other glee clubs are to be organized in Soochow, Pengpu and other cities.

•

Some 600 Chinese residents of French Indo-China were forced to depart from that country prior to the Japanese occupation, according to **Domei** report from Hanoi on July 30. The Japanese alleged that the Chinese were serving as agents of Chungking and were members of the Chungking Ministry of Overseas Affairs. The Japanese report claimed that the Japanese occupation had seriously alarmed the 350,000 Chinese residents of the former French colony and many were fleeing to Singapore.

•

Capt. Fritz Wiedemann, ousted German Consul-General at San Francisco, and a personal friend of Adolf Hitler, has been appointed Nazi Consul-General at Yokohama, according to **International News Service** report from Berlin on July 29. Capt. Wiedemann arrived in Berlin, along with 128 other German consular officials from the United States, and immediately conferred with Herr Joachim von Ribbentrop, Foreign Minister. Capt. Wiedemann's appointment was thought to presage increased Nazi pressure on the Japanese Government to take action against the United States. He is regarded in Berlin as one of Germany's three most active agents abroad.

Prof. Hsu Ti-shan, head of the Chinese Department of Hongkong University, died at Hongkong on Aug. 5. He was a graduate of Oxford and Columbia, and formerly taught at Yenching University, Peiping. He also taught for a time at Hindu University, Benares, where he specialized on Indian Philosophy.

•

The Kwangsi Provincial Government will shortly establish a number of National Middle Schools for the training of large numbers of boys and girls who have been evacuated from coastal and Yangtsze Valley war zones. The schools will be under the supervision of the Ministry of Education at Chungking.

•

The Nanking Executive Yuan on July 30 recommended the immediate establishment in Shanghai of a "National University." Instructions were issued for the drafting of plans, preparation of a budget, and the raising of ordinary and emergency funds for maintenance. The Board of Directors will be restricted to the control of the school's finances, according to the report in Central Press, official organ of the Nanking regime.

•

Chow Fu-hai, who is head of the Nanking Central Exchange Bank and concurrently Nanking Finance Minister, submitted a proposal at the meeting of the Nanking Executive Yuan on July 29 "for the disposal of the assets of specified persons." His proposals were adopted unanimously, as well as another proposal which he introduced for "fixing of a date for increasing the tax on cigarettes."

•

The Chekiang Provincial Department of Education at the wartime provincial capital, Lishui, issued instructions on July 31 for the compulsory payment of pupils' tuitions in government schools, in the form of rice, instead of cash. Teachers also will be required to accept their salaries in the form of rice. Tuition of middle school students will be 15 catties of rice for one semester, while teachers will receive 30 catties monthly in lieu of a financial payment.

•

The Japanese "Cultural Service Association" of Tokyo has announced its intention of dispatching immediately a number of popular writers and playwrights to China, who will be attached to the Nanking government as advisers. Among those mentioned for the job are Keiichi Takatsu, Seiichi Hara, Takashi Miwa, popular writers; Hiroshi Uyeda and Hiroshi Muneda, publicity experts, and Torao Setoguchi, noted playwright. According to reports in the Japanese papers the request for the dispatch of the writers to China originated with the press bureau of the Japanese Expeditionary Forces in China.

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Miu Yun-tai has been appointed by the authorities at Chungking to head a goodwill mission to Burma on behalf of the Chinese National Government. The group will be composed of eleven members, including well known educators, journalists and industrialists. The party will proceed to Rangoon in about two weeks. A delegation from Burma, which has been in Chungking for some time investigating airplane defense measures used by the National Government, departed for home on Aug. 3.

•

Present population of the United States is estimated at 132,584,922, of which 49% are church members, according to the 1941 edition of the Year Book of American Churches, which has just been published in New York. The number of church members was given as 64,501,594. The number listed as Protestants was 36,103,984, while the Catholics were second with 21,284,455. The number of members of Jewish congregations was 4,614,184. Eastern Orthodox Catholics numbered 735,440 and Old Catholics at 25,909. All other groups totalled 1,710,622.

•

Most of the former Chinese Government telephone, telegraph and radio engineers, operators and mechanics, who were employed in Shanghai offices of governmental communications organs, departed from Shanghai shortly after the Japanese occupation four years ago. However, a small group, which had remained here for the purpose of looking after government property, departed from Shanghai last week for Hongkong, from which place they planned to proceed to Kunming for the purpose of accepting positions in Free China. A few, who had remained in Shanghai to attend to their personal affairs, received their retirement fees on August 1.

Mitsuro Toyama, head of the Black Dragon Society, held a discussion of "current affairs" with Premier Prince Konoye on July 31, **Domei** reported from Tokyo. The Black Dragon Society is a semi-secret organization which exerts considerable back-stage influence on Japanese politics.

•

The Japanese T. K. K. Steamship Company has announced plans for constructing a Yen 3,000,000 wharf on the Whangpoo in the Nantao section, the purpose being to facilitate transportation to the interior through the South Station, instead of North Station in the Chapei area.

•

The ashes of the late J. W. T. Mason, **United Press** correspondent, who died recently in the United States, were received in Japan for burial on Aug. 1. Mason, who was a student of Japanese Shintoism, specified that his ashes were to be buried in Japan. The urn containing his ashes was first taken to the Shinto Shrine in Azabu Ward in Tokyo, and later will be taken to the Tama cemetery on the outskirts of Tokyo for burial.

•

Forty Chinese war prisoners, who have been confined in an Italian concentration camp, have been converted to the Catholic faith and were christened on Aug. 4 by the Papal Nuncio to Italy, Monsignore Borgongini, according to a report from Rome by the German **Transocean** news agency. It was stated that three Chinese soldiers in the prison camp had been given religious instruction by Fr. Antonio Chang. The report aroused considerable interest in Chinese circles as it was the first information received in China that Chinese were confined in Italian prison camps. The German report stated that the Chinese were serving with the British forces when captured.

•

The German and Italian Embassies in Chungking were closed on July 27, following the departure from the Chinese wartime capital of the last group of staff members of the two Embassies. The Chinese authorities provided the German and Italian clerks with an airplane, on which they were transported to an airfield near the border of French Indo-China. They were then permitted to proceed to the former French colony. Among those in the party were P. P. Spinelli, former Italian diplomatic representative, and his wife.

•

The Metropol Theater in Shanghai, which has had a more or less precarious existence as a "second-run" cinema for several years, was closed on July 31, following the display of the film, "Horror Island." The Metropol will be replaced by the new Majestic Theater, located on Gordon Road, near Bubbling Well, which will be opened shortly. The Metropol, following renovation, will be used exclusively as a first-run house for Chinese moving pictures. The Metropol was opened on Dec. 6, 1933 and for several years was leased to the Asia Theaters, Inc. Last year it was sold to the Chung Hwa Company, controlled by Yu Ya-ching, well known Chinese industrialist. The theater in future will be operated by the United China Production Company, of which S. K. Chang is manager. The company controls the output of three local Chinese studios. The Chinese name of the Metropol in future will be "Sin Hwa," or New China Theater. The Asia Theaters, an American corporation, operates the Nanking, Grand and Cathay theaters, but does not control the new Roxy on Bubbling Well, the proprietor of which is Pan Tse-chuen.

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New Books of Interest in the Far East

Britain in India

THE PROBLEM OF INDIA—By K. S. Shelvankar. Published in 1940 by Penguin Books, Limited, London and New York. 254 pages, with notes and references. Price, six pence.

Not a few people have questioned, and continue to question, Britain's claim that she is engaged in a war to preserve the democratic way of life. They point to the fact that the British Empire contains hundreds of millions of colonial slaves who enjoy not the slightest shadow of democratic rights. The enslavement of India is constantly thrown up in the faces of British statesmen.

Colonel Josiah Wedgwood, British Labor M.P., had that experience during a recent visit to the United States. He complained in the House of Commons on August 1 that at meeting after meeting "some emissary of 'America First' would get up and say 'you've put many Indians in jail. Why don't you practice democracy there?'"

How did this exalted representative of British democracy reply to these accusations? By treating American interrogators who are at least broadly conversant with the facts—as nit-wits! "In the United States," said he, "they have not got the faintest idea of what we have done in India, or that every province in India is self-governing today—just as self-governing as every state in America."

If Col. Wedgwood's American interrogators had not the "faintest idea" of what Britain has done and is doing in India, why their questioning of the claim that India enjoys self-government? The claim, of course, is a palpable falsehood. If nothing else were known about the situation, the fact that tens of thousands of political prisoners are languishing in Indian jails and prisons, and that India was pitchforked by the British into the war against Germany without the slightest pretense of consulting the Indian people, is sufficient to refute Col. Wedgwood's nonsensical assertion.

The facts about India's alleged self-government are strikingly put down in this little book by K. S. Shelvankar, a young Hindu writer who completed this study a little more than a year ago. The India Constitution, as he so well expresses it, "is an elaborate and ingenious device to frustrate the emergence of a free India and to secure—so far as constitutional provisions can secure—the continuance of British rule in circumstances totally different from those prevailing at the time of its establishment." In other words, the self-government which Col. Wedgwood proclaims is nothing but a fake and the author demonstrates this up to the hilt.

In each of the 11 provinces which form British India (as distinct from the native states), the head of the executive is the Governor, appointed by the British King. Each province has a legislative assembly, while in six of the more important ones there is a second chamber, known as the Legislative Council and "frankly intended to strengthen the position of vested interests in the province." The franchise, based on property and educational qualifications, excludes the bulk of the population, which is destitute and illiterate. About 35 millions have the right to vote out of a total of over 350 millions. Already, from this fact, we can begin to see the true character of "self-government" in India.

"But," as the author writes, "what invalidates the analogy that some may see between these legislatures and a democratic assembly is not the extent of the franchise so much as the limitations on the authority of the legislature and the principle of 'executive independence' which makes the Governor, as the agent of imperialism the virtual dictator of the province. The limitations on the authority of the legislature are serious enough: it has no competence, for instance, over that portion of the budget which covers the debt services and the salaries of the Governor and other officials, nor may the Ministers bring before the Assembly any bills for taxation or loans without the Governor's consent. But these restrictions pale into insignificance in comparison with the vast powers vested in the Governor.

"Not only is he entitled to override any and every decision of the legislature, but he has a number of 'special responsibilities' in the discharge of which he is to act exclusively in his own discretion. Of particular significance is his special responsibility for law and order; for he can, on this ground, reject any proposal made by his Ministers and take any action without consulting either them or the Legislature.

"Finally, should he fail to find any Ministers willing to conduct the Government on lines consistent with the discharge of his 'special responsibility,' he can declare that the constitution has broken down, and 'assure to himself all such powers as he judges requisite to retrieve the situation.' The Governor, in short, is under no obligation to accept the advice of Ministers who possess the confidence of the lower house, nor need he abide by the verdict of the electorate. Whatever this system may be, it is surely not autonomy or self-government."

The facts concerning British India, as we see, are not at all in conformity with the picture which Col. Wedgwood presumably painted for skeptical American audiences. Matters are even worse in the so-called native states, where the British share the power with "sovereign" potenates. We quote again from the author:

In the native states, he writes, "economic stagnation and social decay have combined with a personal autocracy freed from all restraints to stamp the States with their characteristic features: unchecked and barefaced exploitation on the part of the rulers, cringing servility and abysmal despair on the part of the ruled, the whole enveloped in a fetid atmosphere of vice and corruption. The

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States are picturesque—with the picturesqueness of a rotting carcase. Whatever the 'real' India may be they have no more claim to represent it than the provinces. Their evolution, like that of the provinces, has been shaped decisively by the political and economic forces of imperialism.

"Some of the larger States are relatively progressive. Travancore and Baroda have a higher percentage of literacy than the provinces. In Mysore large-scale electrical developments have been carried out. Hyderabad has spent considerable sums on irrigation. Textile mills have been started in a number of States. But the States as a whole are more backward than British India in agriculture as well as industry and a great many of them are without roads, hospitals and even elementary public services.

"Again, a few of the States have set up a simulacrum of democracy. There are elections and councils; but even in Mysore, one of the most advanced States, these mock assemblies seldom meet and have no more than an advisory function. In the majority of States the Government is run by means of orders issued from the palace. There is no legislation in the ordinary sense. All power—legislative, executive and judicial—is concentrated in the hands of the Maharajah who, as often as not, is an eccentric if not pathological character. In many cases he is also an absentee taking his extravagant pleasure in the fashionable resorts of Europe and America.

"As he is an autocrat, there is no limit to the demands he can make on the resources of his State. The greater part of the revenue collected from an abject peasantry is devoted to the satisfaction of his personal and family needs and the needs of his police and military forces....There are thousands of slaves, without personal rights of any kind, in the Rajputana States and in the States of western India. They are owned by the rajahs and their nobles. Forced labor exists in nearly all States. Laborers, artisans and peasants may be compelled to work at any time and for any period at the bidding of the prince or his officials....

"Even in progressive States like Mysore, Travancore and Baroda there is very little freedom of speech, press and association. Anyone can be thrown in prison for an indefinite period or banished from the State, without being charged or tried. Property can be confiscated with no more than the semblance of a trial. And, of course, there is no appeal against the prince's misdeeds, for he is a sovereign potentate.

"Sovereign potentate—but with a difference. There is a British official called the Resident in every major State; and over the smaller States, organized in regional groups known as Agencies (the Deccan States Agency, the Gujerat Agency, etc.), there is another called the Political Agent. These officers, appointed by the Governor-General, are servants of imperialism. Hardly anything can happen without their acquiescence in the States to which they are assigned. And whatever the legal quibbles involved, in case of serious disagreement, the sovereign potentate, descended though he be from the Sun and Moon, must and does give way to these gentlemen who, in all probability, are not descended from a planet but from a British bourgeois family.

"The subordination of the States to imperialism is evident also in other forms. They are debarred from entering into relations with foreign States. They have with few exceptions been cut off from the sea so that their trade with countries outside India must pass through British territory. And the military forces they are allowed to maintain are small—they are in fact too poverty-stricken to afford big armies; the biggest is that of Kashmir, which has 8,600 regular troops—that they cannot hope to defend themselves against aggression without the aid of British troops. They cannot even defend themselves against the anger and hatred that their fantastic misrule has accumulated in the hearts of their subjects. If these matters were settled by a free vote, there is no doubt that the princes would all be swept off their thrones. It is not the loyalty of the people but the iron hand of imperialism that keeps them on what Lord Curzon once described as their 'divans of indulgence.' For imperialism needs them. The States are one of the principal buttresses of its own vast edifice of exploitation."

In British India, there has grown up a bureaucracy, partly British and partly Indian, which has a strong vested interest in British rule. So great are its privileges and so high its standard of living in a country of desperate poverty, that it has, says the author, been turned into "a separate caste essentially alien in outlook from the masses of whom it is supposed to be the servant." Belonging in this category, apparently, is Sir Firoz Khan Noon, High Commissioner for India to Europe and the two Americas, who in San Francisco last week delivered himself of a lengthy defense of his white masters. His assertions contrast strangely with the known facts.

Said he (**United Press**, Aug. 2): "The fact that I am here in the United States negotiating directly a new trade, navigation and commerce agreement between the United States and India shows the extent to which India has already won her freedom....India today is in complete control of the administration of all her domestic affairs, and we are even beginning to exercise control over some of our foreign affairs —such as treaty-making. We are, in fact, already an independent nation except for the official recognition of it—and that is just around the corner....I do not know of an Englishman, either in parliament or out, who will not be glad to get us off their hands. India has never paid one cent of taxation or tribute to England since the day that Queen Victoria first took us over. We have only been a bad investment and trouble-makers for her."

The claim that India is in "complete control" of its domestic affairs is adequately refuted by the facts adduced above. What about the assertion that India has been a "bad investment" for the British. Shelvankar estimates, on the basis of such facts as are known, that British investors and others are draining £55,000,000 from the country every year in the form of interest and dividends and "home charges." The Indian national debt a year ago reached the enormous figure of £900,000,000, having increased by £800,000,000 in the course of 80 years. The sterling debt, totalling £350 millions, is all held by investors in England, while a large part of the rupee debt, totalling £550,000,000, is also held by British investors. The total value of Britain's investment in India, including private investments and the estimated capital value of that part of the "Home Charges" which is in excess of the interest on the sterling debt, is estimated by the author at the huge total of £1,140,000,000. An idea of what Britain gets out of India is furnished by a glance at the figures representing "Home Charges" which in part include interest charges, but also civil and military expenditures under other heads: for salaries and pensions, purchase of stores, etc. Between 1834 and 1940 they totalled to the enormous figure of approximately £1,500,000,000 and now average about £30,000,000 a year. This, then, is Britain's "bad investment" in India.

Col. Wedgwood complains that Americans "have not got the faintest idea what we (the British) have done in India....They have heard agitators telling lies." Here are a few facts:

India has a population of 353,000,000. Britain has dominated the country completely for considerably more than a century, yet only one person in ten can read and write. Only the smallest fraction of the budget goes to education. Not one village in three (and India is a land of villages) has a primary school. There is one middle school for every 100 square miles, one high school for every 315 square miles, and one arts college for every 4,000 square miles. There is no money for education because the bulk of the revenues go to service the public debt (mostly held by Britons), to run the machinery of government, and to maintain the armed forces.

There are no social services in India, no unemployment or poor relief, no old-age pensions or sickness insurance. Wages of industrial workers are pitifully low and the peasants are even more pauperized than in China. Perpetual semi-starvation has sapped the vitality of the population. The average expectation of life of the newborn infant is less than half as many years as that of the English infant: it declined from 30 years in 1881 to 26.9 years in 1931. The general death rate is 24 per thousand against 12 in England. Maternal mortality per thousand births varied from 2.4 in Holland (before the present war) to 8.5 in the United States. In India it is 24.5. The infant mortality rate is the highest in the world: 164 for every thousand live births. The number of deaths each year from preventable diseases alone is five to six millions. A hundred million persons are estimated to suffer from malaria every year, while the lowest estimates put the number of blind in India at 450 per 100,000. There are fewer than 7,000 hospitals and dispensaries in British India, with a total of 70,000 beds. This gives one hospital or dispensary to every 163 square miles and to every 40,183 persons.

Shelvankar sets down many more facts and his book shows in startling manner the sad plight to which imperialist domination has brought a once proud and independent people. In order to maintain their rule the British have artificially preserved racial and religious differences and fostered others. Reinforcing and buttressing outworn, reactionary regimes in the native states, and separating them from British India, they have still further divided the country. Holding back India's industrial development in the interests of British industry, they have insured the survival in most malignant form of the very worst type of agrarian barbarism. Rural impoverishment grows by leaps and bounds. Industrial development on a grand, all-sided scale, the author shows, is the only remedy. It would provide occupations for the surplus rural population, relieve the strain on the overburdened land. The higher living standards thus made possible would tend, as always, to curtail the birth rate.

But there is no hope of any such development so long as Britain's stranglehold on India is maintained. The British have a vested interest in the backwardness of India and the poverty of her millions.

Those who really desire to understand India's problem will find all the material they need in Shelvankar's book. He has collected and arranged his facts with scientific conscientiousness and drawn only those conclusions which flow with clear logic from the facts. His book is a complete and crushing answer to the miserable apologetics of men like "Laborite" Wedgwood. If occasionally the author's indignation blazes forth, that does not in the least impair the scientific value of his work. After all, he is a Hindu, writing about his own country and his own people.

F. G.

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5. COCOA
6. COCOA-MALT
7. TONIC FOOD

Fullcream Milkpowder

1	lb.	vacuum tin ...	$ 9.80
2½	,,	,, ,, ...	22.80
5	,,	,, ,, ...	43.50

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1	lb.	tin	$ 7.60

Evaporated Milk

6	oz.	tin	$ 1.05
14½	,,	... ...	2.10

Cocoa Malt

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